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Life Insurance Edition

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FRIDAY, JUNE 12, 1942

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In
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State Officials Hold Lively Session

New Movement Starts for War Clause Uniformity

Commissioners Take Action at the Denver Gathering

DENVER—A movement towards gaining uniformity in war clauses was launched at the convention here of the National Association of Insurance Commissioners.

A joint committee of the Life Presidents Association and American Life Convention presented a report Monday afternoon at a session of the life committee of the commissioners and that report was submitted to a commissioners subcommittee of three with instructions to report back to the full committee within 30 days.

The company joint committee had considered the question upon request of the commissioners initiated at the recent Louisville meeting of the executive committee.

R. E. Moyer, Northwestern National, gave the report of the company committee. The group, he said, came to agreement on certain principles. The risk of death should be excluded where the assured is outside the home area (48 states, District of Columbia and Canada) in the military, naval or air service in time of war; where the assured is in the home area as a result of service in the military, naval or air service in time of war or six months after war if death occurs as a result of military action; travel or flight in the air except on commercial lines; within two years of date of issue where the cause of death occurs outside the home area and insured dies outside such areas or within six months after returning to the home area.

In event of death under excluded circumstances, the recovery should be gross premiums less dividends plus 3 percent interest or the reserve for the policy and paid up additions whichever is higher.

The committee, he said, feels that the commissioners should confine themselves to approving general principles rather than to try to fashion standard provisions.

So far as reinstatement is concerned, the committee feels the companies should be encouraged to be liberal in handling reinstatements where the period of lapse is short. The companies should largely disregard the war hazard and reinstate without war clause if application for reinstatement is made within 60 days of lapse.

Blackall of Connecticut inquired
(CONTINUED ON PAGE 23)

Action Is Postponed on Guertin Group's Report

Insurance Commission- ers Want to Study the Text Further

DENVER—The Guertin report on non-forfeiture values brought out some lively discussion at the insurance commissioners' meeting. A. N. Guertin, New Jersey actuary, is chairman of the committee. Gough of New Jersey requested the commissioners to give approval to the final report of the committee on non-forfeiture values in life insurance and related matters, which consisted of a proposed model bill on non-forfeiture benefits and another on reserve valuation.

Action on the report was postponed until the December meeting.

Commissioner Perkins of Maine expressed opposition to the report, saying the commissioners' 1941 mortality table reflected largely eastern and middle western experience and expressing doubt that the margins are sufficient for the southern companies. Until recently, Mr. Perkins was assistant actuary of Pan-American Life of New Orleans. He contended that this is no time to be putting out new policy forms. The preparation of new rate manuals and tables would be a burden upon companies, especially the smaller ones.

Wanted Action Deferred

Harrington of Massachusetts also opposed taking favorable action now and he recommended deferring action until the next meeting and that the entire report be published in permanent form. He said he is fearful of the effect of the proposed legislation on the smaller companies. John A. Lloyd of Ohio endorsed Harrington's stand. He said there are some tax questions that should be taken into consideration.

T. J. Cullen of New York said the proposed bills are highly technical and they will be difficult to explain to legislatures. The New York department has been sympathetic to the principles of the report, but has had some different ideas as to adjusting equities between withdrawing and persisting policyholders. To provoke discussion a bill was introduced in the New York legislature. It applied only to ordinary because the department did not know what the application of the scheme to industrial would be. There has developed some emphatic opposition to the commissioners mortality table.

Harrington-Gough Tilt

Gough spoke quite testily at this point, saying that the committee had been deliberating for years, every party at interest had been given an opportunity to be heard, and the final report has the concurrence of the Life Presidents Association and the American Life Convention. He said the commissioners in the past have been criticised for delaying ac-

Model Legislation Parallels Closely Recommendations of Company Committees

DENVER—At the convention of the National Association of Insurance Commissioners here, the committee to study non-forfeiture benefits and related matters submitted its finished report. Two model bills are recommended, one dealing with non-forfeiture benefits and the other with valuation of reserves.

The final model legislation proposed by the A. N. Guertin committee follows very closely what was advocated by the company committee last fall. Mr. Guertin has been very fair-minded throughout the lengthy consideration of the intricate problems involved and he was willing to defer to the opinion of others on a great many points although he did insist on a few points upon which he had strong convictions. The legislation sets up minimum requirements.

The standard non-forfeiture law provides that in the event of default in any premium payments, the insurer will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid up non-forfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as is specified in the law. The companies had recommended that this privilege be limited to cases where the premium for at least one full year had been paid.

Cash Surrender Value

Then the law provides that upon surrender of the policy within 60 days after the due date of any premium in default after premiums had been paid for at least three full years in ordinary insurance or five full years in industrial the insurer will pay a cash surrender value. There is a provision that the paid up non-forfeiture benefit shall be—
(CONTINUED ON PAGE 25)

tion. He said if action is postponed New Jersey should be relieved of further responsibility on the committee.

Harrington said Massachusetts would be willing to serve on the committee, and he and Gough got into a fairly heated tangle. Blackall of Connecticut said he would vote to approve the report. Gontrum of Maryland said his actuary had not had an opportunity to give an opinion on the proposed bills and hence he said he favored postponing action until December. The vote was taken with 21 against immediate action and 12 for. Gough then said it should be understood that the committee has completed its work and that all that had been done was to postpone action on the report until December.

Provocative Issues Brought Before the Commissioners

Large Attendance at the Annual Convention Held This Week

By LEVERING CARTWRIGHT

DENVER—The National Association of Insurance Commissioners at its annual convention here, devoted earnest and business-like attention to a multiplicity of major and ambitious projects, but found itself unable to take final action at many turns. State differences are a continuing hurdle to schemes that call for idealistic uniformity and these differences at least caused to be deferred several important projects that their advocates had at heart.

John Sharp Williams, III, of Mississippi was elevated to the presidency in accordance with advance indications and C. F. J. Harrington of Massachusetts went up to vice-president.

The question of who was to be chairman of the executive committee had been uncertain and the choice, John A. Lloyd of Ohio appealed to the commissioners and camp followers.

Jess G. Read of Oklahoma was re-elected secretary. New members named to the executive committee headed by Lloyd are Sullivan of Washington, Pink of New York, Graves of Arkansas, Gontrum of Maryland, Johnson of Minnesota, Gough of New Jersey, and McCormack of Tennessee.

Salary Issue Comes Up

The question of the greatest angularity and that evoked the most passion was the recommendation of the blanks committee that in annual statements there be shown by all companies the salaries of officers and directors, including compensation, emoluments and amounts paid under management or agency contract of \$5,000 or more. At present this showing must be made for companies, fraternal, assessment life and accident and hospitalization associations. The proposal was to extend the requirement to all companies.

At the session of the executive committee Sunday afternoon the proposal was adopted by a five to four vote, and when the word got around, the greatest excitement prevailed. Efforts were made to get the executive committee to reconsider and a session was held early Wednesday morning prior to the final general session. One proposal was that the minimum figure be raised to \$10,000, \$15,000 or \$20,000.

The commissioners Wednesday retained the original recommendation of \$5,000.

The midwinter meeting will be held
(CONTINUED ON PAGE 14)

Texas Agents Vigorously Attack Current Issues

LUBBOCK, TEX.—The impact of war on life insurance selling was the chief topic of discussion at the annual meeting of the Texas Association of Life Underwriters here last week, and of the sales clinic held by the General Agents & Managers Section and of the Texas Leaders Round Table.

J. Harold Sharpe, general agent of General American Life at Fort Worth, was elected association president. Other officers are: Vice-presidents, J. P. Costello, Southwestern Life, Dallas; Dale Shepherd, Connecticut Mutual, Houston; C. G. Smith, Jefferson Standard, Tyler; Bob J. Lyles, Western Reserve, Ogden, and J. N. Fletcher, Great Southern Life, San Antonio.

Fort Worth was selected for the 1943 convention.

Loren D. Stark, Connecticut Mutual Life, Houston, was elected chairman of the leaders' round table and the managers' section named Starkey Duncan, John Hancock, San Antonio, chairman; Vic Behrens, General American, Abilene, vice-chairman and Don Wyatt, Franklin Life, Amarillo, secretary.

Many Fine Talks Given

A number of fine talks were presented at the two day session. Following opening of the session by President Francis G. Bray, New England Mutual, Houston, L. Mortimer Buckley of New England Mutual, Chicago, said in his talk that life insurance selling is an unusual profession because a man is never too old to carry on once he has begun the work. Success can be achieved by intelligent work and an extensive desire to succeed. While the law of average is helpful, luck comes from work.

Mr. Buckley said that six years ago he decided something must be done about his production and the first thing he did was to throw away 80 percent of his prospect cards and begin qualifying prospects on a realistic basis. A scheme of work should be one which keeps the agent active and guides him in doing an intelligent job.

Other speakers on the association program were A. L. Dern, vice-president and director of agencies, Lincoln National Life; George L. Maltby, Equitable of Iowa, Kansas City, Kan.; John A. Witherspoon, president of the National association; F. L. McFarlane, Aetna Life, Cleveland, and Bernard Klein, Southwestern Life, Beaumont, Tex.

Past Presidents' Luncheon

At the past presidents' luncheon Mr. Bray paid tribute to the late H. B. Wernette, National Life & Accident, Corpus Christi, who died in office. The association amended its by-laws to provide that a vice-president may be elected president by the board of directors in case of death or resignation of the president during office. This covers the situation that arose in the case of Mr. Wernette.

Houston won the cup awarded each year to the local association making the best record in membership and educational activities. More than 100 members of the association have been called to service, Mr. Sharpe, chairman of the membership committee, reported. The legislative committee was instructed to continue its study of qualification law for presentation at the 1943 legislature.

Leaders' Round Table Clinic

Too many agents went out of the life insurance business when the war clause was introduced because they permitted themselves to fall into negative attitude, Charles Seay, Southland Life, Dallas, chairman of the Texas Leaders' Round Table, said in the opening talk of that group's sales clinic. It is now time for agents to get back into the business. To do this agents must sell themselves on the fact that the business

has not gone to the dogs. The trouble has been that agents and their friends have been sitting around convincing themselves that business is no good. If they will continue to prospect and ask people for information, they are going to get business. A surprising number of sales are not made because the agent fails to ask the prospect to buy, he said. There are plenty of people who need and can afford insurance.

Many conscientious agents have been temporarily put out of the life insurance business by the conviction that no life insurance will be sold in the next few years and by doubt whether they should go into armed service, J. P. Costello, Southwestern Life, Dallas, said. The agent today is too ready to make a crying post out of his prospects. The need for life insurance in time of war are the same that exist in time of peace, only more so, he asserted.

OBSERVATIONS MADE

Among the other points made by life leaders participating in the clinic were that the big problem of the business man who owns property now is to find enough money to pay for premiums out of current income, and this often can be done only by a transfer of assets which will result in a net gain in spendable margin; the present emergency offers the agent excellent opportunities to do civic and civilian defense work that will produce new prospects; agents need not drive in an automobile to their prospects because they can find business where they are; night work will produce results.

William Harrison, Union Central Life, Houston, chairman of the managers' section, presided at its clinic on the effects of war on agencies.

Charles F. Hanson, Lincoln National Life, Houston, lost his entire agency force to the armed forces almost immediately after Pearl Harbor. With the recruiting of new men difficult if not impossible it was necessary for him to make a change in his operations. He turned to personal production and started intensively prospecting among new income groups, spending longer

Mutual, N. Y., Microfilms All Irreplaceable Records

All records of Mutual Life of New York which it would be uneconomical or impractical to duplicate, now have been microfilmed as a precaution against loss in air raids. The number thus preserved is 440,000 irreplaceable papers representing several million records. All have been recorded on 16 mm. non-flammable cellulose-acetate film which will be stored in an inland city.

It was necessary to make 682,000 photographs of the papers and necessary reference records. These are contained in 314 100-foot reels of film requiring only 15 cubic feet of storage space. All new records will be microfilmed.

hours in the field and on night calls, and employing some of the industrial agents' prospecting plans. He has become one of the leading personal producers of his company.

Recruiting of capable men has always been difficult, S. J. Hay, president of Great National Life, stated. While war conditions make it more difficult, companies and managers can still find some worthwhile agents. These must be chosen with the same care as in the past. He himself has never found it a good idea to give an agent a contract until he has spent six months or more studying the prospective agent's qualifications, background, and personality as related to his community.

Financing has come to stay, Mr. Harrison stated. This may be in a form of an advance, a salary for a beginner, or as a loan against renewals. The important thing is that the agent must be assured a reasonable income to be an efficient salesman.

O. P. Lockhart, chairman of the Texas board of insurance commissioners, spoke at the banquet. He emphasized the need for strengthening qualification laws and the need for laws empowering the commissioner to deal quickly and effectively with racketeers who are exploiting people interested in life insurance. Mr. Harrison was toastmaster. Members of the leaders round table were honored at a banquet.

Marc A. Law, associate general agent of National Life of Vermont in Chicago, has just returned from a vacation spent at his cabin on Birch Island Lake near Spooner, Wis.

New A. L. C. Medical Section Heads



DR. THOMAS H. DICKSON
Chairman



DR. J. M. LIVINGSTON
Vice-chairman

Dr. Thomas H. Dickson, medical director of Minnesota Mutual Life, was elected chairman of the Medical Section of the American Life Convention at the annual meeting in Colorado Springs. Dr. J. M. Livingston, medical director of Mutual Life of Canada, was named vice-chairman.

Move to Disallow Interest Deduction in House

Ways and Means Committee Approves Plan Affecting Paid Up Policies

NEW YORK—Deduction from taxable income of interest paid to buy or carry fully paid up policies would be denied insured if an amendment to the internal revenue code approved by the House ways and means committee is enacted into law. The proposal would place such loans on the same basis as the present provision of the internal revenue code which prohibits the deduction of interest paid on indebtedness incurred or continued to purchase or carry tax-exempt securities.

While many single premium life policies have been purchased because the buyer's income made the deduction attractive, most life insurance men have felt for quite a while that it would be only a question of time before the government would take away this special advantage. A difficulty arises, however, in that while the law is aimed at taking away the tax advantage of borrowing at a low rate from a bank in order to purchase a single premium policy, the language of the measure to be worked out by the Treasury experts may be such as to deny a deduction in the case of loans made with no thought of tax avoidance.

Case of 20-Payment Life

For example, the holder of a 20-payment life policy has made a maximum loan and several years later the policy reaches its 20th anniversary and becomes fully paid up. The proposal agreed upon by the ways and means committee would deny deduction for interest paid not only on indebtedness incurred to purchase a fully paid up policy but also indebtedness "continued . . . to carry" such a policy. It may be that it will not be possible to draw a line that will allow the deduction to those who borrowed on their policies without thought of avoiding taxation.

The same sort of complication arises in the case of policies which the insured has paid up in full by means of a low-interest bank loan.

The tax advantage, in the event the law remained as it has been, has been so attractive that many large policyholders have bought single premium policies and banks here and elsewhere have done a big business in financing the sale of these contracts and arranging for repayment to be made over a period of years. Agents who have sold these contracts usually have pointed out to the prospects that it was strictly a sporting proposition, since the apparent tax advantage might be knocked out at any time.

Pension Plans Affected

The ways and means committee also agreed on a modification of the present law covering the employer's right to deduct contributions toward pension plans as a business expense. There is no reference to a vesting provision as a prerequisite for eligibility nor for a top limit of \$7,500 on the pension which could be paid if the plan were to enjoy a tax-free status. In this respect it is more liberal than the Treasury's proposal made several months ago.

According to M. M. Goldstein, general agent Connecticut Mutual, New York City, a member of the National Association of Life Underwriters law and legislation committee, it is too early to tell to what extent the final draft of the bill

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Medical Directors Name Dr. Dickson New President

A.L.C. Section Holds Annual Meeting at Colorado Springs—View War Effect

COLORADO SPRINGS—Dr. Thomas H. Dickson, medical director Minnesota Mutual Life, was elected chairman of the Medical Section of the American Life Convention at the annual meeting here. He succeeds the late Dr. W. F. Blackford, Commonwealth Life, who died in April, but had been acting chairman since then and presided at the meeting.

Other officers elected are: Vice-chairman, Dr. J. M. Livingston, medical director Mutual Life of Canada; member board of governors, Dr. J. R. B. Hutchinson, medical director Acadia Mutual; secretary, Dr. B. F. Byrd, medical director National Life & Accident, reelected, and program chairman, Dr. Reynold C. Voss, assistant medical director Pan-American Life.

Delegates also were named to the annual meeting of the Association of Life Insurance Medical Directors. The time and place for the 1943 annual meeting was left to the board to decide.

Pay Respects to Dead Members

Memorials were read for five members of the section who died in the last year: Dr. Blackford; Dr. M. M. Lairy, Lafayette Life, chairman in 1935; Dr. F. M. Kenney, Capitol Life; Dr. J. R. Neal, Alliance Life, chairman in 1934, and Dr. H. F. Taylor, Aetna Life. President Boyd of Commonwealth Life read the memorial to Dr. Blackford.

W. Lee Baldwin, president Security Life & Accident, Denver, on behalf of Commissioner Kavanaugh and Colorado companies, invited the section to attend the commissioners convention in Denver. T. J. Davies, president Colorado College, spoke on behalf of USO. About 200 directors and executives were present, some accompanied by their wives.

McAndless on War's Results

A. J. McAndless, president Lincoln National, A. L. C. president, greeted the medicees. He reminisced of his early days in underwriting and selection of risks associated with Dr. Carstens, medical director of a Michigan company which has gone out of business.

"The country is involved in total war, and total war means that community interest will be placed above individual and business interest," he said. "The way in which war will pinch the life insurance business will be largely in connection with its investments."

"If you have observed at all the British economy during the war years, you know that there is very little private demand for capital. The government is absorbing all of the savings of the people, and 'permits to issue' and to borrow by corporations, municipalities and individuals are practically prohibited. This means that the government has complete control of the capital market and the interest return is determined by what the government thinks it should pay."

"What does this mean to life insurance? It means that the rate of interest which we will earn during the war period and for many years thereafter will not rise much above present levels; it means that the rate on existing investments will continue to decline as these are refunded and refinanced, because the pressure to get our funds out at any yield at all is going to be tremendous."

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New Type of Formula for Valuation of Bonds

DENVER—A new type of formula for determining whether bonds shall be subject to amortization is included in the program for valuation of securities in 1942 annual statements that was adopted by the National Association of Insurance Commissioners in convention here. Last year a bond selling for 65 or higher could be amortized; if selling for less than 65, market quotations had to be used. This year a bond may be amortized if its yield on the "association value" does not exceed 3.9 percent plus the yield on a taxable federal bond of the same maturity.

Formula Prepared by Moody's

The formula was prepared largely by Moody's acting for the subcommittee of the valuations committee and was approved at a committee meeting Tuesday morning over which Gough of New Jersey presided in the absence of Pink of New York. Mr. Pink did not arrive in Denver until Tuesday afternoon. As he was attending his son's graduation at Syracuse University.

The 3.9 factor formula is applicable to corporate bonds and special revenue bonds of any state or political subdivision on which the yield to maturities based on Dec. 1, 1941 and Dec. 1, 1942 association values does not, in either case, exceed 3.9 percent plus the yield for comparable maturities of fully taxable federal obligations at the respective dates. Otherwise the new valuations formula in practical effect does not substantially differ from that of last year. The resolution reads:

Text of Resolution

1. That all stocks and bonds, excepting bonds secured by the full faith, credit and taxing power of political subdivisions of the United States and of

political subdivisions of Canada which are not in default as to principal or interest on Dec. 1, 1942, shall be valued at the market quotation as of Dec. 1, 1942, excepting that in the case of securities not quoted on that date the latest available information shall be used.

2. That stock valuations shall include accrued dividends on preferred stocks and dividends declared and accrued on all stocks and shall be determined in accordance with the following rules:

Ex-Dividend Situation

(a) Where a stock sold ex-dividend on Dec. 1, 1942, and a dividend is payable in December, the Dec. 1 price is to be used.

(b) Where a stock sold ex-dividend on or before Dec. 1, 1942, and the dividend is payable on or after Jan. 1, 1943, the amount of the dividend is to be added to the Dec. 1 price.

(c) Where a stock did not sell ex-dividend until after Dec. 1, 1942 and a dividend is payable, in December, the amount of the dividend is to be deducted from Dec. 1 valuation.

(d) Where a stock did not sell ex-dividend until after Dec. 1, 1942, and the dividend is payable on or after Jan. 1, 1943, the Dec. 1, 1942, price is to be used.

3. That where a bond is quoted "flat" on Dec. 1, 1942, and interest is paid in December, the amount of the interest shall be deducted from the Dec. 1, 1942, valuation.

To Be Valued at Cost

4. That stocks and bonds acquired after Dec. 1, 1942, should be valued at cost.

5. That for all bonds secured by the full faith, credit and taxing power of political subdivisions of the United States of America and of political subdivisions of the Dominion of Canada which are not in default as to principal or interest on Dec. 1, 1942, and all amortizable privately purchased corporate bonds, on which no values are printed

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Life Insurance in War Time Goes to Greater Height

Superintendent Pink of New York Points Out Its Great Value

DENVER—Superintendent L. H. Pink of New York, who was here attending the National Association of Insurance Commissioners convention, gave a talk Wednesday before the Kiwanis Club, stressing life insurance and the



LOUIS H. PINK

war. He said that total war means total effort and he asked whether life insurance is an essential part of the war effort. In other words, should life insurance carry on full steam or is there something more worth while that it can do? He said with the exception of the government itself, life insurance is the greatest money gathering institution in this country. If life insurance is essential to the individual and to society in normal times, he asserted, it is doubly so when the nation is under strain.

Not everyone is buoyed up by the stimulation of industry due to the war demands. He said there must be no let up in life insurance work. Life companies and banks, he stated, must assume a leading role in financing the war effort to a great extent. In addition life insurance funds play an important part in providing housing and in expanding the facilities of public utilities, agricultural and industrial enterprises of all kinds.

Buy Government Bonds

Normally life companies carried only a small part of their investment in government bonds and now have increased the percentage to about a quarter of all. A very large proportion of all new money invested goes into government bonds. The legal reserve companies now have \$7,300,000,000 in federal securities, almost double the entire cost of the Civil War and over eight times the total of government securities held by life companies at the end of the first world war.

Life insurance, he continued, should be grateful to the federal government for its strenuous effort to control prices, spending and to prevent inflation. Life insurance in turn has a very real contribution, in his mind, to make in the campaign against inflation. The money put into insurance is withdrawn from the market for civilian good. The sale

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LETTER FROM AUSTRALIA

From far-off Australia, bearing the customary censor's stamping and a 3 1/2 d. postage stamp, came a letter from one of our underwriters who is now in the armed forces of the United States, on foreign service.

Said the letter:—"I am enjoying life here in Australia, and will have much to discuss with you when we meet again. People here are very American-minded, and it seems to me like a good place for a branch office of our company. In fact I think a smart fellow could do a lot here selling any of innumerable commodities. How are you finding sales of our special policy, the I.B.? It sure has possibilities."

The general agent who received the letter passed it along with the comment, "You know Bob, outstanding in comparison with any young man among our underwriters. His morale in the face of a real test, and his reference to his old business, would seem to be a guiding beacon to us at home. It seems to me that if this young American in Australia is able to stop a moment and think about our pet policy, and about the possibility of an Australian agency, we who are so much less active at home should have little difficulty in keeping our heads up and our eye on the ball."

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

"Must Crack New Market," McLain Asserts in Denver

Dynamic Personal Leadership Needed, Guardian President Declares

DENVER—James A. McLain, president of Guardian Life, addressed the annual luncheon meeting of the Denver Life Underwriters Association Tuesday. There was a large group of visiting company and association executives on hand, they being in the city for the commissioners convention.

George Williams, Union Central Life, the retiring president, presided and introduced the out of town guests. Hubert McLellan, formerly manager of the Denver west office of Metropolitan Life, who is now a lieutenant, senior grade, in the Navy, was present. He is stationed at San Francisco and is in Denver on leave. He is an Annapolis graduate and has been back in active service since last Christmas.

J. Fred La Plant, manager of Metropolitan east, is the new Denver president. Secretary is M. E. McKibben, Acacia Mutual; state committeeman, Dewey M. Smith, Travelers; vice-presidents, Thomas Herbert, Guardian; Searcy Graham, Prudential; Warren Chase, Mutual Life; directors, George Williams, Union Central; Homer Talbot, Mutual Life; Verne Van Leuven, New York Life.

Mr. La Plant took over. He said the agents must give increased time to war efforts.

Ed Eddlebute, Penn Mutual, chairman of the nominating committee, presented to Mr. Williams a plaque expressing appreciation for his work as president.

Arthur Underwood, Lincoln National, Denver, spoke a word as outgoing president of the Colorado state association, as did James M. Caldwell, Aetna Life, new state president.

Thomas Herbert, Guardian Life general agent, introduced Mr. McLain.

Mr. McLain said this will be a critical and epochal year in the business. He spoke of the life insurance contribution to the war economy. It serves to keep the domestic economy operating so that the men in the field may be supplied and it will help to start life anew after the war. By purchasing government securities, the companies are directly providing the sinews of war. During the first five months of this year 52 percent of the new security purchases of Guardian Life were government bonds. In 1931 1.9 percent of assets of all life companies were government bonds while in 1941 it was 19.5 percent. Government bonds will be the main outlet for company funds during the duration. The war will be financed at from 2½-2¾ percent, he said. That means increased cost of life insurance and that is a contribution of the policyholders to the war. Life insurance is contributing man power to the armed forces and to war industries. Eight percent of the Guardian Life field forces are in the service and 23 percent of the males at the home office.

In its selling activity insurance is contributing to the anti-inflation campaign. It is transferring funds from consumer markets to savings that can be released at a time when consumer demand will again be needed.

Today there is needed dynamic personal leadership to fulfill the mission of life insurance today. There must be reached the farmer market, women's market, juvenile and the 10,000,000 war industry workers.

If the agent can't get into these new markets, then it is up to the general

agent to show the producer "how to crack that market."

"We have got to crack that market," Mr. McLain asserted emphatically.

Sales, he predicted, for the next six months will about hold their own with those of 1941, but after that an increase will come. With proper leadership, he asserted, the increase can be made to come sooner. The worst to be faced, he declared, is a period of six months of fairly dull going.

The war industry market doesn't consist entirely of the man at the lathe. For every 1,000 new men in the war industry, there must be 10 executive changes. There will be a huge number of advancements in executive ranks. Men and management and money are in motion and that spells good business.

There must be emotion in selling. The process must be speeded up. The prospect doesn't have time for the two or three or four interview system. There must be more high spirited selling. "We have got to sell quickly today," he said. More footwork will be needed as well as more planning.

Mr. McLain quoted from a letter from a War Department official in response to an inquiry from a life insurance man as to what move he should make.

"In view of the total personnel program of the Army," the letter read, "my

Better Wages Cut Cash Surrenders, Reduce Complaints

NEW YORK—Complaints to the life bureau of the New York department's New York City office have tapered off to their lowest point in many years. Callers displaying various degrees of indignation used to number from five to 50 a day. Now five callers is a big day and usually the number is less than three. There has been a corresponding reduction in the number of letters of complaint received by the department.

The explanation seems to be that because of the war prosperity far fewer people need to cash in their policies. Differences of opinion over the right to a cash value or the amount of it are the most prolific source of complaints. Another reason for the falling off in complaints is that because of the more liberal cash values on industrial policies there are now no policies without at

least three-year cash values either by right or by concession.

least three-year cash values either by right or by concession.

Not all callers at the life bureau come in to demand some agent's scalp or the cancellation of a company's right to do business. Some merely want to know if their policies are good or if they are getting everything they are entitled to. The most unwelcome type of caller is the man or woman who knows it all. They are so firmly set in their wrong-headed ideas that it is usually impossible to set them straight. They waste the bureau's time and they get no satisfaction because they are unwilling to listen with open minds.

The same factors which have caused such a marked falling off in calls and letters of complaint to the life bureau are understood to be responsible for the sharp drop in business which life insurance fee counsellors are currently experiencing. Counsellors do their biggest business when policyholders are in the greatest need of ready cash. The more widespread the general prosperity, particularly among wage earners, the less reason there is for holders of industrial policies to consult the counsellors.

B. M. Anderson, counsel of Connecticut General Life, gave a talk before the Denver Life Insurance & Trust Council on "Life Insurance and Taxes."

and in addition ...
YOUR FAMILY

Most men strive to provide well for their families . . . for the present . . . and for the future if anything should happen. But now so much has changed so quickly—the whole pattern of industry, of working, of living.

The Great-West Life in its advertising stresses that its representatives are able to offer various arrangements to provide needed family protection under today's changed conditions.

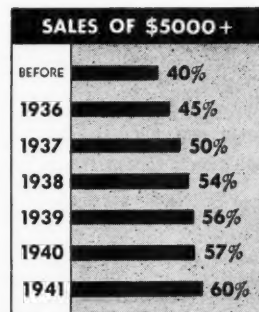
THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG, CANADA
Business in Force—\$660,457,610

OUR FIFTIETH ANNIVERSARY YEAR

Home Life's "Quality Program" Helps Conserve Income for Field Underwriters

Never before has the word "conservation" meant so much to our national life. Its implication of time-saving, efficient direction of effort, and non-waste are today being realized in the results of Home Life's Quality Program instituted in 1936.

That program is bearing further fruit in its favorable effect on renewal compensation. New business lapse rate in Home Life for 1941 was the lowest in the Company's 82-year history. Factors which have such a direct bearing upon compensation are indicated by these impressive gains:

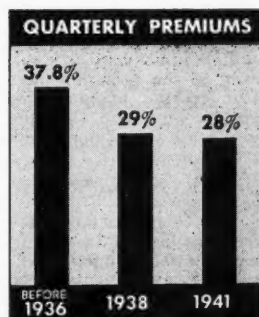
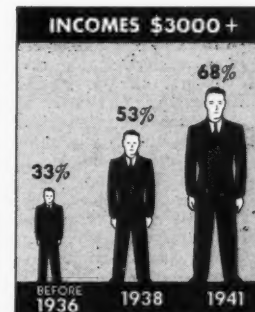


A 50% increase in sales of \$5,000 or over.

Larger sales produce a larger volume from a given number of sources. The higher the average policy sale, the higher the average commission. In 1941, six out of every ten policies written in Home Life were over \$5,000—the average was \$6,315. For five successive years (1937-1941) Home Life has, in this factor, led the field of American life insurance.

Rate of sales doubled among the higher income group.

The higher a prospect's income, the greater his ability to pay premiums; and because his income permits him to enjoy consistent medical care and healthful environment, the Field Underwriter stands less chance to waste effort and ability on rejected or rated-up cases.

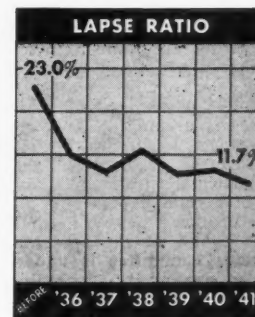


Quarterly premium cases reduced 26%.

Policies paid for on an annual or semi-annual basis are more profitable since they have a lower lapse record and reduce the Field Underwriter's collection activities to a minimum. Less than three out of ten Home Life policies written in 1941 were paid for with a quarterly premium.

A 50% reduction in new business lapses.

The Field Underwriter who experiences no lapses in first or second year business builds his future compensation in renewals on the soundest foundation. Home Life's Quality Program reduced new business lapses from 23% to the record-breaking low of 11.7% in 1941.



Home Life's patient, concentrated attention to conscientious client building through its Planned Estates service provides Field Underwriters with a practical means of emphasizing Quality. Sound volume is the natural sequence to a "quality" program.

HOME LIFE INSURANCE COMPANY, NEW YORK

ETHELBERT IDE LOW, *Chairman of the Board*

JAMES A. FULTON, *President*

WILLIAM P. WORTHINGTON, *Vice Pres. and Supt. of Agencies*

Shortage of Actuarial Students Causes Concern

American Institute Moves to Speed Candidates on Examination Course

Leaders of the American Institute of Actuaries at the annual convention at the Edgewater Beach Hotel, Chicago, expressed dismay at the disclosure that the average length of time to complete the examinations for fellowship in the actuarial organizations is now a full 10 years. The disclosure was made in a paper that was presented at the last meeting by Harry M. Sarason of General American Life and the discussion of his paper elicited the most spirited discussion of any topic at the meeting. As a matter of fact a definite course of action was decided upon looking to improvement in the conditions of study of those that are pointing for fellowship and for investigation of the whole problem.

Henry H. Jackson of National Life was completing his first term as president and he was reelected together with the other officers, E. G. Fassel, Northwestern Mutual, and Frank D. Kineke, Prudential, are the vice-presidents; W. D. MacKinnon, Equitable Life of Iowa, is secretary and R. E. Moyer, Northwestern National, treasurer. J. S. Elston, Travelers, was elected editor for his 15th term and E. L. Marshall, LaFayette Life, was reelected librarian. New members of the board of governors are John P. Dandy, National Life of Toronto; C. O. Shepherd, Travelers, and Robertson Hunter, Equitable Life of Iowa.

Whittaker Outlines Problem

E. B. Whittaker of Prudential, chairman of the joint examinations committee, opened up the subject of the actuarial examinations. He said that the committee is giving attention to helping students that are not employed in offices in New York or Toronto. In those cities tutoring is available and the study is closely organized. In New York, for instance, panels of six to eight students meet each week and work out particular problems and make digests of certain papers and the work of each of these panels is then made available to all of the students. The examinations committee is undertaking to make somewhat comparable material available to students in other cities. Illustrated solutions have been worked out for 1941 and 1940 examinations on several subjects and the committee hopes to get these solutions prepared and approved by the fellowship lecturers running back to 1935. The intention is to form a panel on each of the subjects of parts 6-9 of the examination. The work will be divided between the fellowship lecturers assisted by two juniors.

Says Six Years Is Enough

R. A. Hohaus, Metropolitan Life, asserted that not more than six years should be required to pass the examinations and a student by devoting all of his extra time to organized study should be able to complete the work in four years. He said that in the period 1911-1918 the average time required to pass the examinations was 5½ years. In 1930 it was 6½ years; 1931 to 1938, 7½ years and 1939 to 1941 10 years. Because of the interruption of studies by the war, it is vital that the average time involved be reduced.

(CONTINUED ON PAGE 16)

How War Affects Double Indemnity, Disability

Ross E. Moyer, Northwestern National Life, gave an informative paper at the meeting of the Home Office Life Underwriters Association at the Edgewater Beach Hotel, Chicago, on the practices of companies in regard to disability and double indemnity benefits made inoperative because of military and naval service.

Although prior to the outbreak of war practically all companies had eliminated any war restrictions from the life benefits of their policies, most companies had retained some kind of restriction in connection with disability and double indemnity.

The administration of these disability and accidental death benefits on lives now engaged in naval and military service depends largely upon the restrictions which each individual company wrote into the policy. These restrictions have not been uniform.

Studies 26 Companies

Mr. Moyer made an investigation of the disability and accidental death policy provision for the 26 largest companies. All of those companies issued some type of disability benefits. Eight provided for termination of disability benefits upon engaging in military or naval service in time of war. In each case provision is made for refund of any unearned premium at the time the disability benefits terminate and thereafter the total policy premium is reduced by the amount of the disability premium. These companies avoid any increased disability losses after war service which may have been associated even remotely with war service. No question could arise of policyholders paying premiums during the period when little or no coverage is being granted. Such a provision would eliminate litigation as to whether the actual disability for which claim is being made had arisen or being contributed to by military or naval service. It would seem reasonable that these companies should make an offer to revive these disability benefits at the termination of war service on the same form and at the same rate as previously held upon evidence of insurability and payment of premiums and any accumulation of reserves during the service.

Some Suspend Benefits

Three companies suspended disability benefits during military or naval service in time of war. Provision was made for refund of any unearned disability premium at the time of suspension and at the end of such service the disability premium is again payable and the disability coverage automatically revived. Presumably these companies feel that they can safely assume disability risks at the end of the war on the entire group even though some lives may be seriously impaired and the fact that they exclude any disability arising from war service would protect them. Probably some increased losses will be experienced because of difficulty in determining whether war service contributed to or caused the disability.

Collecting Premium During Service

Fourteen companies merely provided that disability resulting from war or from military or naval service in time of war was not covered. No provision was made for discontinuing the disability premium during such service. Collection of these disability premiums during war service would be some offset to any adverse disability experience arising after the conflict and as a result of impairments received during service. If these premiums are collected during service (it may be that some companies have waived the collection of such premiums) some policyholders will question the payment of the disability premium during a period

when little or no coverage is being granted.

One company had no war restrictions in its disability provision. This company issues only waiver of premium benefits.

Double Indemnity Provisions

Of the 26 companies, 23 would include some form of double indemnity benefit in their policies. Two of these companies terminate the double indemnity benefit upon engaging in military



ROSS E. MOYER

or naval service in time of war.

One company suspended its double indemnity benefits during military and naval service in time of war, refunded any unearned premiums and picked up the benefits and the premium at the termination of service.

Six companies excluded all accidental death benefits arising during military or naval service in time of war. This is a "status" exclusion provision. No provision was made for reducing the premium on the policy by the amount of the accidental death premium during service. Perhaps some of these companies have agreed to refund premiums during war service, however.

Exclusion of Benefits

Fourteen companies excluded accidental death benefits where death resulted either from war or from military or naval service in time of war. Exclusion of benefits resulting from military service would probably exclude training accidents which might not be construed as resulting from war. With this type of exclusion some small accidental death benefit is still granted during war service. Accidental deaths arising while on furlough would be covered and training accidents might also be covered if accidental death resulting from war were the terms of the provision. The fact that some small coverage is granted might be a justification for the collection of the premium during war service.

Some companies may desire to be more liberal after having given thorough consideration to current conditions than would be permitted if a strict interpretation of policy provisions were followed. Such a practice would seem to be justified provided it were made applicable to all policyholders of a given class and no discrimination resulted. On the other hand, the doubt which may exist as to what future court decisions will be would indicate that a rather strict interpretation of policy provisions should be followed.

As to refund of unearned premium, some companies provide specifically that the refund shall be made upon demand by the policyholders. Others simply provide for a refund. In any event where the company knows of

Hobbs for \$15 for Examiners and \$25 for Actuaries

Kansan Makes Recommendations as to Examinations in Denver Message

DENVER—The presidential message of Charles F. Hobbs of Kansas at the convention of the National Association of Insurance Commissioners here consisted largely of recommendations and discussions of the company examination question. He expressed the belief that the compensation of examiners should be \$15 per day and actuaries \$25 per day plus sustenance. Moreover the item of sustenance should be the actual cost.

The practice of making a flat charge per day for expenses, Mr. Hobbs condemned. He said an examiner from another state assisting in the examination of a Kansas company this year made a flat charge of \$7 per day. The rate for a room at the best hotel in the city is \$3 and if he ate \$3 worth of food in that city each day he would not have been able to do much work. "We may apply whatever term we choose to this practice, but I'm sure that I know the term I would use," he asserted.

Observes Inconsistency

When excessive operating and overhead expenses are discovered in a company, the examiner is not in a position to criticize such conditions when the examiner himself is receiving the benefit of a flat charge for expenses.

The expenses of a Kansas examiner in New York for the past three or four months have not exceeded \$6.50 per day and he lives and eats well. Mr. Hobbs requires that his examiners furnish a receipt for the cost of their meals.

Mr. Hobbs referred to the memorandum that was sent out by a number of commissioners in the east with reference to the requirements of examiners. Due to the manpower shortage, Mr. Hobbs expressed the opinion that this is not an opportune time to adopt such recommendations.

Delay in Sending Reports

Due to the fact that there have been frequent delays in procuring copies of examination reports, Mr. Hobbs suggested that immediately after the completion of an examination copies of the report be mailed to the insurance department of each state in which the company operates. Should it be necessary to hold a meeting to modify the report, all the commissioners can then be advised and any changes can be forwarded to them. He said that sometimes he has not received a copy of the report for several months. He suggested that the commissioner of the home state be made responsible for distributing reports of examinations and that the companies themselves be directed immediately to forward a copy of the report to the department of each state in which it operates.

Unless the departments insist that corrections be made of faults discovered

(CONTINUED ON PAGE 24)

the insured being in service and where a refund of premium is due, it would seem that an effort should be made to make the refund. Otherwise it might be held that the company by retaining the money has waived some of its rights.

Give Results of Study of A. & H. Claim Complaints

Out of Each 10,000 Claims Paid, Only 12 Complaints Entered

DENVER—The report on the sampling of complaints of accident and health policyholders as to claims treatment that was made by the Health & Accident Underwriters Conference at the instance of the commissioners was presented to the commissioners A. & H. committee here Monday by Harold Gordon, executive secretary of the conference. By a method of projection Mr. Gordon found that there are 12 complaints to an insurance department for every 10,000 claims paid. Some of the results of the survey ran counter to what it was expected would be revealed. For instance there were fewer complaints on account of limited type policies and of policies of unlicensed companies than were anticipated.

Eight states gave full cooperation in the sampling. On special forms records were kept of complaints received during last August and September. There were a total of 244 complaints received by the eight states.

Of those complaints 79 pertained to commercial or non-can policies; 59 to monthly premium contracts; 44 to weekly premium; 16 percent to hospitalization and 3 1/4 percent to limited policies.

Sixty-six percent of the complaints were attributed to honest differences of opinion; 17 percent to misrepresentation by agents; 5 percent to misleading advertising and as to the rest no opinion was given as to the cause.

Of the complaints 94 1/4 percent arose over contracts of licensed companies, 5 1/4 percent unlicensed.

Sixty-one claims were rejected because of pre-existing condition of health and the other reasons were widely scattered.

The commissioners found that decline of liability was justified in 45 percent of the cases, unjustified in 40 percent and the departments gave no opinion on the rest.

The commissioners felt that 75 percent of the complaints were disposed of satisfactorily.

In these states plus California which gave total but not detailed figures the A. & H. premium income last year was \$110,400,000. The average annual premium was assumed to be \$14, which would mean 7,886,000 policyholders. And assuming that one out of each six policies produces a claim there were 1,330,000 claimants. Projecting the August-September record to an annual basis there were an estimated 1,626 complaints or one complaint for every 10,000 claims paid.

McCormack of Tennessee, chairman of the committee, also raised the question of reserves on the portion of the industrial premium particularly of companies doing a Negro business that provides sick and accident business. This is in the nature of non-can A. & H., but yet non-can reserves are not put up.

Mr. Gordon outlined the plan for the issuance of a civilian war risk policy on a pool basis and the committee approved the project.

L. A. Claim Men Hear Forker

LOS ANGELES—F. W. Forker, sales promotion manager of Pacific Mutual Life, addressed the Los Angeles Life & Accident Claims Association on

"Business and the War Effort." He stressed that it is necessary for business to prepare for the close of the war and to provide a foundation which will find a place for the demobilized men in the services.

Boston Trust Council Elects

M. Luther Buchanan, Massachusetts Mutual Life, was elected president of the Boston Life Insurance & Trust Council at its annual meeting. Arthur B. Tyler, National Shawmut Bank was elected vice-president; James C. Donahue, Webster & Atlas National Bank, treasurer, and William C. Coogan, sec-

retary. John D. Wright, tax consultant and estate attorney, gave the latest developments on the revenue act of 1942 and discussed its effect on trusts, life insurance and estates. Special honor was paid Franklin W. Ganse, founder of the Trust Council movement in Boston in 1932, on his 83rd birthday.

Providence District Honored

The Providence district of Boston Mutual Life having shown the greatest combined increase and insurance gain in business in 1941, Superintendent Ambrose F. White and his office force were given a luncheon in Boston by

President Jay R. Benton. W. H. Moody, superintendent of agencies, Secretary E. C. Mansfield and other home office officials addressed the group.

In listing those that have qualified for the Million Dollar Round Table the name and headquarters of **Lewis H. Hall** were incorrectly given. Mr. Hall is general agent for George Washington Life at Elizabethtown, Ky. Also Lee Caswell, district manager of the Hall agency, who qualified, resides at Bonnieville, Ky., instead of at Charleston, W. Va., as listed.

Collier's

Collier's for May 23, 1942

\$100,000,000
Says Johnny will go to College!

—thanks to this Unique and Different Life Insurance Company

Here's the 4th advertisement in the series of Acacia Mutual's pages to appear in 1942 in Collier's, Life, and The Saturday Evening Post.

Acacia Mutual
Life Insurance Company
WILLIAM MONTGOMERY, President
Home Office • ACACIA BUILDING • Washington, D. C.

Do not lapse your policy in any other old-line company to take one in Acacia Mutual... Do not lapse your policy in Acacia Mutual to take one in any other old-line company... You live in either case.

ACACIA MUTUAL LIFE INSURANCE COMPANY
DEPT. 562, ACACIA BUILDING, WASHINGTON, D. C.
Please send me more information about "A Different Kind of Life Insurance Company," and about your New Family Security Plan.

Name.....
Address.....
City and State.....

Companies Largely Agree on U. S. Tax Proposal

Favor Base of 7 Percent of Investment Income Less Tax Exempt Interest

Substantial agreement has now been brought about on the part of the life companies as to the type of federal income tax measure that the industry shall undertake to get the Treasury Department to sponsor. The formula is known as the McAndless plan since President A. J. McAndless of Lincoln National Life is credited with being its originator.

Under the McAndless plan the tax base would be 7 percent of income from investments less tax-exempt interest and tax-free dividends. The tax rate to be applied against the base would be the rate to be applied to corporations generally. The Treasury favors a rate of 55 percent combined tax and surtax whereas the House ways and means committee has tentatively approved a rate of 40 percent.

A. L. C. Executive Committee Meets

The executive committee of the American Life Convention held sessions at Colorado Springs last week during the convention of the Medical Section and discussed the tax question at length. Col. C. B. Robbins, general counsel, had notified members of the final McAndless plan and invited them to submit comment and those replies were studied by the executive committee.

Then Col. Robbins and Mr. McAndless went east in an endeavor to win the eastern companies to the proposal. The intention is to seek to have the Treasury sponsor this formula in lieu of the plan originally submitted by the Treasury. Should that effort be unsuccessful then the industry would cause the bill to be introduced independently.

Mutual Life Trophy to Scranton Agency

On the basis of qualifying the largest number of representatives for 1941-42 membership in the National Field Club, organization of leading Mutual Life producers, the Scranton agency under the management of John H. Blackman, Jr., has won the agency leadership trophy for the third successive year and has now come into permanent possession of the award. The bronze tablet, known as the "Trophy of Achievement," is awarded each year to that agency having the largest representation in the National Field Club per million dollars of new business requirement. This year the Scranton agency doubly achieved the award by also qualifying the largest actual number of representatives for the club of any of the Mutual Life's 77 agencies. Having won the trophy in both the 1939-40 and 1940-41 club years, the Scranton agency will now be allowed to keep the tablet, which becomes the property of the agency winning it three times.

The Louisville agency won second place nationwide. The New Orleans agency, Richard F. Lawton, manager, achieved third place.

Two Companies Withdraw from Group Association

Prudential and Equitable Society have withdrawn from the Group Association.

View War Issues at Nebraska Parley

Hummel Elected President at Lincoln Gathering Attended by 200

LINCOLN, NEB.—Nearly 200 attended the Nebraska Association of Life Underwriters annual meeting and wartime sales congress here. L. W. Hummel, Farmers & Bankers, Lincoln, was elected president. Vice-presidents are W. S. Hofgard, Mutual Life, N. Y., Scottsbluff; John Diestel, Northwestern Mutual, Fremont, and C. E. Clinton, Aetna Life, Omaha. Ben R. Gadd, Union Central Life, Lincoln, was appointed secretary-treasurer. The retiring president, Floyd H. Eldredge, Union Central, Hastings, was added to the directorate.

William H. Andrews, Jefferson Standard, Greensboro, N. C., was endorsed for National association secretary and Tom B. Reed, Great Southern Life, Oklahoma City, for trustee.

War Conditions Discussed

Talks and discussions ranged around the effect of war conditions on new business and the impact of the increased national income and war bond purchases and whether the percentage of part-timers or "bird dogs" will be increased and addition of women and middle-aged men because of the loss of trained man power to the armed forces.

The majority agreed that defense workers with high income will not be as much interested now in buying protection as in saving money for the enforced idleness most expect after the war. There will be plenty of opportunity to increase sales, due to the restricted market for consumer goods coming at a time when the national income is greater than ever before in its history. The net billions left in the hands of the public is greater than the entire amount now paid yearly for life premiums, and with no goods purchasable, the door of opportunity stands wide open for insurance salesmen, it was brought out.

Mayor R. O. Johnson, who sold life insurance to pay his way through college, stressed the importance of the institution of life insurance in strengthening the foundations of democracy.

President Ben Gadd of the Lincoln association in his welcome expressed the belief that the time and rubber used in attending the convention was well spent.

In his annual report President Eldredge reported a membership increase. President-elect Hummel said that consideration will be given regarding a substitute for conventions should their discontinuance be asked by the government.

End High Pressure Methods

Insurance Director Fraizer said that with the excellent cooperation of life men the days of the high pressure salesman in Nebraska have almost ended. The few complaints reaching the insurance department are from people who say their policies were not fully explained to them. In view of this, Mr. Fraizer urged agents to explain every provision fully, and repeat if necessary.

Referring to the department's experience with handling the Pathfinder Life which has resulted in improving its financial structure, Mr. Fraizer said that any life company will be successful if it is not abused. A small company, however, will not support large overhead expenses for officers and attorneys.

Life agents should remember at all times that they are more than mere salesmen and they should see to it that a prospect is not undersold, Mr. Fraizer pointed out. In these days of

(CONTINUED ON PAGE 26)

Officials Again Ponder Unadmitted Company Problem

DENVER—The perpetual subject of unadmitted insurance companies at meetings of the National Association of Insurance Commissioners got a nod again at the Denver convention this week. Director Fraizer of Nebraska presided at the committee meeting.

Mr. Fraizer said the committee had communicated with the commissioners of all states whose legislatures were in session, citing the N.A.I.C. resolution adopted at the Detroit meeting in 1941. That resolution suggested that each state pass a law limiting domestic insurers to operating in states in which they are licensed. Legislation was introduced in Mississippi and Virginia and a law was passed in the latter state. The Virginia statute pertains exclusively to life insurance. It prohibits a Virginia company writing life insurance on residents of states in which it is not licensed, unless the assured is personally present in a licensed state for consummation of the contract. Also renewals of contracts are excepted and certificates under group policies may be issued without limitation if the master contract is written in a state in which licensed. The law operates only on a reciprocal basis, however.

Harrington of Massachusetts said the law of his state prohibiting publications and radio from advertising non-licensed companies has been effective, but the invasion of such companies by use of the mails is still uncontrolled.

T. J. Cullen, first deputy of New York, said his department had given consideration to sponsoring the bill recommended by the commissioners, but feared it might not be adequate. He said the unadmitted companies fall into two classes, the legitimate insurer and those that are operating on an unscientific basis. The individual commissioners, he suggested, should cause the unadmitted companies to get on a proper basis or get them out of business. He said the unsound type is limited largely to the life and A. & H. field.

Scheufler of Missouri said these meetings on the problems of the commissioners serve the purpose of causing the state officials to understand each other and facilitate the handling of specific cases between the commissioners throughout the year. Mr. Scheufler said if each commissioner would wield a club on his own companies under his basic powers much could be accomplished without the need of legislation.

Berry of Michigan read the law of his state which limits Michigan companies to operate in states in which they are licensed.

Conn. Savings Banks Issue \$600,000 in Five Months

For its first five months \$812,300 of savings bank life insurance has been applied for in Connecticut. The 17 savings banks have issued \$603,100, which is the amount now in force.

A checkup shows that 82 percent of applications to date are for \$1,000 or less, and that 76 percent of applicants previously owned \$1,000 or less of insurance. Of the latter number 46 percent had no previous life insurance of any kind. About 63 percent of applications have been from persons in the so called low income group.

The average insurance applied for during January and February was \$1,243; for May, \$949, and for the five months, \$1,154. Dr. B. B. Earle, medical director, has postponed \$15,000, declined \$64,000, and has \$108,500 awaiting action.

Lloyd W. Judd, vice-president and actuary of National Aid Life of Oklahoma City, addressed the Oklahoma City real estate board on probable post-war conditions.

Iowans Get Back of Tax Measures at Annual Rally

W. K. Niemann Is Elected President at Enthusiastic Davenport Gathering

By CHARLES D. SPENCER

DAVENPORT, IA.—That spark of contagious enthusiasm that has consistently marked Davenport sales congresses again prevailed with renewed vigor at the 1942 gathering in connection with the annual meeting of the Iowa Association of Life Underwriters.

Although Karl Madden, former general Penn Mutual, is no longer the motivating force, Paul C. Otto, Connecticut Mutual; John A. Cosgrove, Phoenix Mutual; John H. Leaver, Mutual Benefit; Lloyd B. Gettys, Mutual Life, N. Y.; Newell C. Day, Equitable of Iowa; S. W. Sanford, Prudential, are among those who have taken up the torch to keep Davenport out in front as one of the key local associations in the country.

New Officers Elected

Max G. Kissick, Aetna Life, Mason City, who commanded much respect as Iowa association president, handed over the gavel to W. K. Niemann, Des Moines manager Bankers Life of Iowa, who will be assisted by Merle E. Van Epps, Mutual Life, N. Y., as first vice-president; C. V. Shepherd, National Life, Vt., second vice-president; and Charles J. Stratton, Metropolitan Life, Dubuque, as secretary-treasurer. Des Moines was voted the 1943 gathering.

At all sessions the dire importance of taking a militant stand on the federal legislative program to insure the retention of the vital \$40,000 life insurance tax exemption and the passage of the premium tax allowance proposal were stressed. Julian S. Myrick, second vice-president Mutual Life, N. Y., at both the banquet and sales congress, Herbert A. Hedges, Kansas City general agent, Equitable Life, Ia., and National association secretary, at the annual meeting, and J. M. Clark, John Hancock, Peoria association past president, at the final congress session, reinforced the pleas of the Iowa association officers to cooperate on these salient measures now before the House ways and means committee in Washington.

Hedges Makes Hurried Visit

Mr. Hedges stopped in Davenport for only a few hours on his way to the Nebraska association sales congress in Lincoln but his brief presence was greatly appreciated by the Iowans.

An increase in state dues to \$1.25 a year was voted which will include a subscription to the "Underwriters Review" of Des Moines, official association publication. The association's monthly news letter which Secretary Shepherd has been mailing out each month now will be included in the "Review." Eight out of the 13 local units in the state were represented. President Kissick reported on the association's progress. Plans formulated for an extensive educational program were suspended in view of the war. In explaining the federal legislative program, Mr. Hedges said that work of this type more than justifies association membership. He also reviewed the functions of the wartime committee in Kansas City in meeting the unusual problems of the day.

The Waterloo association's framed membership roster with individual pic-

tures of its 42 members with the caption "Life Insurance Builds National Security by Building Individual Security" was displayed. The idea, which was adapted from the Lincoln, Neb., association's plan, is to display the roster in the city's banks and other public places. The plan stimulates membership and secures much prestige.

The Iowa Quarter-Million Dollar Roundtable had two informal sessions with Chairman W. B. Strief, Equitable Life, Ia., presiding. R. U. Henninger, tax counsel for Wolf & Co., Des Moines, led a discussion on estate planning, conservation and taxation. Jim Hack, New York Life, Peoria, emphasized the need for sensible optimism.

Lee J. Dougherty, vice-president Occidental Life, the banquet toastmaster, urged the necessity for maintaining morale during the stress of the war period. More effort will be required to keep production up, he declared.

Having long represented the National association in legislative work in Washington, Mr. Myrick has been in close touch with Congress so that his analysis of the situation received close attention. Mr. Myrick was the sole speaker at the banquet and also talked at the sales congress.

Mr. Myrick paid tribute to the Davenport association's contribution to the community and read an editorial from a local newspaper commending the group's activities.

Triple Threat Offensive

Pointing to the essential role of life insurance in the war effort, Mr. Myrick said that it provides a triple threat offense in protecting the home, financing the war and in checking inflation. He prophesied that by the end of the year 25 percent of the life companies' assets will be invested in U. S. bonds.

CORN STATE KERNELS

Sales congress tickets included luncheon. Provision was made for company groups to eat together, including Prudential, Mutual Benefit, National Life, Vt., Equitable, Ia., Travelers and Union Central.

Leigh Cruess and Julian S. Myrick, Mutual Life, N. Y., vice-presidents, who have been holding an intensive series of agency meetings, spoke at a gathering of the Lloyd Gettys' agency the day before the congress. About 25 attended. All the Mutual Life men were wearing 99th anniversary buttons. Mr. Cruess attended the association gatherings but he let Mr. Myrick take care of all the talking.

Equitable Life of Iowa had a large number of agents on hand. In addition to Newell C. Day's Davenport group, F. W. Darling, Cedar Rapids general agent, had 16 men present.

P. C. Irwin, associate actuary, Equitable of Iowa, who was a speaker, came direct from the American Institute of Actuaries' meeting in Chicago. Mr. Irwin is actively interested in agency work and he is on his company's home office agency committee. He is extremely popular with his agents. He is congenial and has none of the austerity which agents commonly associate with actuaries.

Paul C. Otto, Connecticut Mutual, with his leather note book of convention agenda ever at hand, kept events running smoothly and on time in his role as general chairman.

Martin L. Seltzer, Des Moines general agent Kansas City Life and past president Iowa association, was on hand.

J. M. Clark, Peoria general agent John Hancock, extended invitation to the Iowans to attend the annual sales congress of his association on Oct. 24.

At the closing session a stirring patriotic tableau was staged with a soldier, a sailor and a Red Cross nurse participating.

John H. Leaver is a busy man, shuttling back and forth between Des Moines and Davenport as manager in both cities of Mutual Benefit Life for which he is also home office representative. As chairman, he arranged an excellent program for the meeting. He introduced E. B. Thurman, Chicago general agent New England Mutual Life, who concluded the sales congress program with an inspirational talk. Mr. Thurman's message made a deep impression. He is a genius

in the choice of words. For many years he has studied words so that he always gets just the right shade of meaning.

Oscar Gustafson, the Davenport song leader, certainly knows how to get music out of a crowd. Besides leading the singing at Davenport sales congresses in the past, he has also been the guest leader at Peoria.

John Bailey, Connecticut Mutual, secretary Galesburg, Ill., association, was accompanied by his wife who likes to attend congresses so she can understand her husband's business.

Mayor Ed. Frick of Davenport got a good many chuckles with his comment that he welcomed the opportunity to do the talking after he had been listening to life insurance men for 30 years.

Secretary Shepherd called the local association roll at the sales congress and members of each delegation stood.

The Iowa association claims it is the only state body to have its own flag which was presented to Cedar Rapids, the host association last year. President Kissick conceived the idea of having the host convention city hold the flag for the year following so Ray Short, Equitable Society, Cedar Rapids, presented it to John Cosgrove, Phoenix Mutual, Davenport president, at the opening of the congress.

Two new Occidental Life, Cal., general agents were on hand, John J. Moriarty, Cedar Rapids, Ia., and Karl B. Korrad, Davenport.

Karl Madden, former Davenport general agent Penn Mutual, and now in the box business at Keokuk, Ia., was warmly greeted. Mr. Madden, a former National association trustee, was the original spark plug in making Davenport sales congresses a national institution. He reports he is happy in his new work.

National Life of Vermont men at a luncheon sponsored by Charles A. Kuttler, Davenport general agent, and C. V. Shepherd, Cedar Rapids general agent, discussed the tax situation.

Walter S. Hayes, Davenport general agent State Mutual Life, has lost four of his 10 agents to the army. Although he has felt the effect of the loss, the six remaining men are going strong and in May wrote more business than the 10 men wrote a year ago.

Much attention was attracted by the Davenport association's old fashioned hay-rack which publicized the convention (see inside back cover).

S. W. Sanford, Davenport Prudential ordinary manager, did an excellent job on publicity. The local newspapers carried liberal reports and pictures. Major W. S. Fuller, Chicago Prudential manager, was his guest.

William C. Strief, Des Moines, chairman Iowa Quarter-Million Dollar Round Table, led Equitable Life of Iowa in personal production last year.

Beaming John Cosgrove, Phoenix Mutual, proved a stimulating host association president.

Considerable interest was evidenced in the statement of Marriner S. Eccles, chairman Federal Reserve System, read by Julian S. Myrick to effect that now is the time to save and not spend and that savings put into life insurance will aid the war effort in curbing inflationary tendencies. This was reported in the May 22 issue of The National Underwriter.

W. F. Pearson, field training division Metropolitan Life, was in attendance. Mr. Pearson has been in the field as a home office representative for eight years. He is very enthusiastic about his company's well formulated educational program aimed at constantly bettering service to policyholders.

A great believer in the power of motivation, Newell C. Day, Davenport general agent Equitable Life, Ia., takes great pride in the fact that his agent, Willard E. Lowenberg, Fort Madison, who was on the program, named his child Edward Newell, after Mr. Day. Mr. Lowenberg wrote 146 applications in his first year in the business and is now maintaining a steady pace in his second year. Mr. Day reports that he mailed in five applications two days before the convention.

Wyoming State Meeting

The state convention of the Wyoming Association of Life Underwriters will be held Friday at Casper. N. A. McLean of Casper, the president, will preside.

The Accident & Health Bulletins help get business. For information write 420 E. Fourth St., Cincinnati.

100 Percent Back of the Government . . .

Last month we had a meeting of Home Office employees... 623 of them . . . about the payroll deduction plan for buying War Bonds.

Within forty-eight hours every employee in the building had signed up, authorizing regular deductions from their salary for the purchase of War Bonds.

That's their contribution to the buying of more tanks and guns and ships and planes to preserve freedom . . . and we're proud of them for it.

The
NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board
NASHVILLE
HOME OFFICE
TENNESSEE
C. R. CLEMENTS, President
NATIONAL BLDG.
SHIELDS YOU

National, Vt., Tells Its Attitude

Terms Agreement on Agency Practices Inconsistent, Ambiguous

An interesting statement was made to THE NATIONAL UNDERWRITER this week in a letter from L. P. Brigham, superintendent of agencies of National Life of Vermont, setting forth that company's reasons for withdrawing from the inter-company agreement relating to field appointments, and especially those of part-time agents.

"The National does not wish to be considered as a rebel or renegade," Mr. Brigham stated, "but it has since 1937 felt that there were many ambiguities in the principles announced by the committee and the letter which I addressed on May 6 to Chairman Haviland outlines the company's present attitude. This letter resulted in acceptance by the general committee and we were so informed by Chairman Haviland on May 14, 1942.

Believes in Ethical Practices

"The National is fully as enthusiastic as any company or committee can be for ethical practices but it does not seem to accord with our sense of self-respect to remain signatory to what we regard as inconsistent practice expressed in ambiguous terms."

In the letter to F. H. Haviland, vice-president Connecticut General Life and chairman of the Life Agency Officers special committee on the inter-company agreement, Mr. Brigham set forth:

"We do not agree that a man with legal training, who derives a portion of his income from occasional legal work, or a man whose business is mostly insurance, but occasionally sells real estate, is a detriment to the life insurance business, even in a large community.

"The agency practices committee is, as we see it, extremely liberal in counting as a full time life insurance man one who obtains no portion of his income from any other source than some type of insurance. Under the definition, as we interpret it, a man whose entire income, except for an occasional life application, is derived from selling steam boiler, plate glass, flywheel insurance, or some other kindred line, may be regarded as a full time life insurance man.

Part-timer Practices Vary

"We are aware that some life insurance companies—some signatory, some non-signatory—even in metropolitan centers, permit individuals to be regarded as eligible for full time contracts even though they may get a commission or a fee for the practice of some other line of enterprise.

"Now we are faced with a peculiar situation, which, like many other problems, the war has caused. It comes in the form of a questionnaire from the Research Bureau, the manager of which is ex-officio a member of your committee.

"This company, up to now, has tried to be vigilant in preventing the appointment of part time agents in the metropolitan centers, but, after a canvass of our general agents on the general subject of withdrawal from the inter-company agreement, the committee on insurance has voted to withdraw and it is my duty to inform you to that effect.

"Some of our general agents—a very modest minority—favor continuance and I shall give them an opportunity to allow me to name them as general agents who will continue to conform to the inter-company agreement, if you so desire."

Mr. Brigham quoted a portion of the reply from J. M. Holcombe, manager Research Bureau, to the effect: "Certainly the matter of men going into the

Myrick and Cruess Complete Long Trip in Midwest

The margin of income over essential living costs and taxes is being whittled down to the point where in some cases the life insurance policyholder is finding it increasingly difficult to provide even the minimum protection to take care of his family's needs and if no relief is granted may even be obliged to sacrifice a portion of the protection he already owns, Julian S. Myrick, second vice-president Mutual Life of New York said at a meeting of the Mutual's Cleveland agency. It can only be hoped and strongly urged, he said, that to some reasonable extent life insurance premiums will be allowed as a credit against taxable income.

Even modest relief would greatly benefit the financial security of the "little man" and in no wise impede the flow of dollars into the war effort. It is obvious from the way in which life companies are investing in government securities that the policyholder today, equally through payment of premiums and taxes, is putting his dollars in the hands of Uncle Sam to use as he deems best in this battle for our way of life, Mr. Myrick said.

Cruess Expects Mortality Rise

Leigh Cruess, vice-president and manager of selection, predicted that mortality among policyholders would increase during the war but not to the extent which might be generally anticipated, not only because of such factors as improved methods of treating war casualties and disease but also because of the improved physical condition of civilians resulting from the "simple life" during wartime. Less high living, moderation in eating and drinking, more exercise and better nutrition make the individual better physically whether he wants to be or not, Mr. Cruess said.

The visit to Cleveland wound up a two-week trip to nine midwestern agencies.

Hull Speaks in Little Rock

On the same day in Little Rock, J. Roger Hull, vice-president and manager of agencies, told the Mutual Life agency there that while they may expect to find some confusion among prospects as to whether to buy life insurance or war savings bonds, the answer is that both equally serve the nation's war effort and that both belong in every individual's investment portfolio, though no hard and fast rule can be developed as to what proportion of surplus income should be devoted to each.

A good point to remember, he said, is that under our form of government responsibility for the care of the family lies not with the government but in the hands of the individual who has "no less but a greater obligation in these troubled times to assure to his dependents through life insurance that minimum store of dollars necessary to their welfare."

Messrs. Myrick and Cruess Monday addressed a joint gathering of the Chicago agencies' staffs. There was a short morning program, luncheon and an afternoon round table.

service or going into war industries and retaining their contracts is something with which all companies are bothered at this time. Many of them are simply assuming that the agency practices agreement was written in another day and that it does not apply to present conditions."

Mr. Brigham concluded in the letter to Mr. Haviland, "Rather than continue to be signatory to an agreement which is treated with the attitude expressed by Mr. Holcombe, we prefer in all honesty to withdraw from it and then allow our own company and our own general agents to be governed by conditions as we find them."

Make Progress in Industrial Field

Commissioners Find Compliance with Minimum Provisions Is General

DENVER—Progress has been achieved in the program designed to cause industrial life and accident and health insurers to conform to the minimum standards in respect of policy conditions and practices that were outlined in the so-called Keeble report at the meeting of the National Association of Insurance Commissioners last December. The fact of progress was reported at the meeting of the subcommittee at the commissioners convention here of which McCormack is chairman.

The committee voted to send the Keeble report anew to all commissioners and to recommend that in company examinations the examiners make a memorandum of whether the insurer has reached the minimum requirements.

The Keeble program is in the nature of voluntary compliance on the part of the insurers. The idea is that all companies shall be in line by Dec. 31, 1943, each company that is below the minimum, making the change when policies are reprinted.

Actuary A. N. Guertin of New Jersey said the impression should not prevail

that the minimum standards represent the ideal or ultimate perfection; that existing practices that are more liberal should not be leveled down and that a policy of increasing liberality be pursued. It was brought out that the standards of New Jersey, New York and Massachusetts are considerably higher than the requirements embraced in the Keeble report.

Girard Life Conference

General agents, supervisors and top agents of Girard Life will meet June 25-26 in Atlantic City for a special sales conference which replaces the annual convention.

There will be a short program, conferences with officers on sales, underwriting and agency management problems under war-time conditions, and the annual meeting and election of the Girard Life General Agents Association. The banquet and usual recreational features will not be held this year.

Managers Hold Conference

Pacific Coast managers of American National Life will hold a regional convention in San Francisco June 18-19. G. S. McCarter, superintendent of agencies will represent the home office. Among those who will attend are L. A. Schrepel, San Francisco manager, who has charge of arrangements; G. Craemer, Seattle general agent, and Managers E. E. Intlehouse, Los Angeles; A. A. Hendricks, Portland, and W. L. Vogler, Salt Lake City.



Daniel Chester French's stalwart Minute Man is "One Of The Best" reminders that, to speed Victory, it is the duty of patriotic Americans to invest regularly and just as much as they can in U.S. War Savings Bonds and Stamps.

Among insurance companies, Central Life... strong in organization, strong in resources and strong in experience to successfully meet the challenge of these unusual times... is also recognized as "One Of The Best".

CENTRAL LIFE
ASSURANCE SOCIETY
(Mutual)
HOME OFFICE • DES MOINES

More Than 400 at N. J. State Meeting

Williams Is President, Other Groups Elect—Notable Congress Speakers

NEWARK—At the annual meeting and sales congress here of the New Jersey Association of Life Underwriters, with more than 400 in attendance, these officers were elected: President, Frank A. Williams, Newark, Mutual Life of New York; vice-presidents: David G. Cades, Atlantic City, Sun Life of Canada; Charles Howell, Tren-



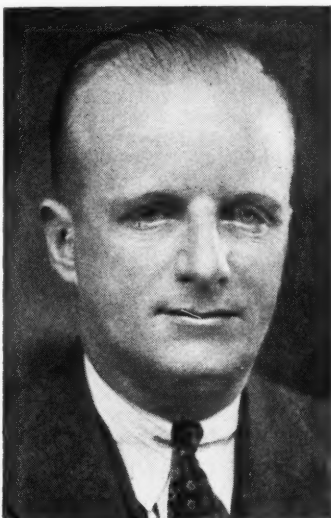
H. C. Lawrence



F. A. Williams

ton, Massachusetts Mutual Life; Haskell Linnell, Paterson, Prudential; T. Barr Stevenson, Asbury Park, Prudential; secretary-treasurer, John W. Wood, Newark, Prudential.

The Life Underwriters Association of Northern New Jersey also held its annual meeting, electing these officers: President, John A. Ramsay, Connecticut Mutual Life; first vice-president, John W. Wood, Prudential; second vice-president Philip J. Torsney, Met-



JOHN A. RAMSAY

ropolitan Life; treasurer, J. Stanley Dey, Manufacturers Life; secretary, Lester Horton, Home Life; directors, Harold Nenninger, Connecticut Mutual Life; Fred S. Fern, National Life of Vermont, and Fred Hagney, Prudential.

Officers elected by the Newark C.L.U. chapter are: President, Howard C. Lawrence, Lincoln National Life; vice-president, Frank A. Williams, Mutual Life of New York; secretary-treasurer, Emanuel L. Belkin, Prudential; executive committee, LeRoy N. Whitelaw, Prudential; Harper Dowell, New England Mutual; Paul H. Mon, Metropolitan Life; Irving V. G. Perrine, Jr., Mutual Benefit Life, and Albert J. Schick, Prudential.

"When we devote every ounce of our energy to this our chosen work, we are serving in no very indirect way," Max C. Fisher, assistant secretary field training division Metropolitan Life,

said in his talk on "Our Part of the Big Job."

"We stand alongside the farmer, the transportation worker, the physician, and the builder in serving our country," he added. "We are helping each policyholder and each member of his family to provide people with food, clothing, shelter and medical care so that they can at all times act as important contributions to one objective—winning the war."

"Some prospects are so concerned over the possibility of inflation that they feel like spending while they can—an attitude that in itself, if not curbed, would lead directly to the very thing they fear. It is for us to get directly behind the government in passing on impressively to each individual the value of withdrawing money from today's spending and adding it to tomorrow's security."

"You can even tell the man who worries about inflation that were inflation to come to his wife and children, more life insurance and not less, would be the means of maintaining their health and happiness."

In his talk on "Gear up to Capacity," Raymond J. Dolwick, supervisor of agencies of Phoenix Mutual Life, said: "We are doing one of the greatest constructive jobs in the world today in protecting and preserving human values. Our job will be to produce more of this type of protection than ever before. We must match the drive and concentration of industry, we must give priority to our production and we must gear up to capacity by stepping up our man hours, our planning and our skill."

Life men have a great opportunity and a corresponding duty, Commissioner Agger of New Jersey said in discussing "The Impact of the War on Our Economy," and in only a few cases is there a similar situation. Normal operation of organized insurance is not seriously impeded, especially in the life insurance field, where there is a greater opportunity than ever, the commissioner said. There is a double gain from increased purchase of life insurance, first, for the individual for present thrift and a future hedge and, second, for the country as a whole in reducing inflation and assisting post-war readjustment.

In conclusion, the commissioner declared that "war has an explosive effect on economy. Its needs are huge, urgent and highly specialized and this necessitates a rapid transformation of production."

H. B. Berwick, supervisor of field service of Manufacturers Life of Canada, spoke on "The Fire Under the Boiler" and A. R. Jaqua, associate editor "Diamond Life Bulletins," on "Financial Commandos."

Mr. Jaqua stressed the necessity for setting up a prospect system to meet today's changed conditions. He also cited the advantage of looking for "insurance situations," and illustrated the advantages of cooperative discipline by citing Notre Dame's football team, the AVG in China, and the operations of the Commandos.

As an interesting entertainment feature, H. L. Gundersdorg, agency organizer of Mutual Life of New York in Newark, and H. A. Feustel, supervisor of the A. F. Gillis agency of Provident Mutual Life in Newark, rendered four difficult two-piano selections. John W. Wood was chairman of the program committee.

Seek Solution for Part-Time Problem

NEW YORK—Vice-president F. H. Haviland of Connecticut General Life has called a meeting of the Life Agency Officers Association's agency practices committee, of which he is chairman, to discuss a definite recommendation for meeting the problem of part-time agents employed in war industries which has put the agency practices agreement "under a severe strain." It

is expected that the meeting will be scheduled for some time in the next two weeks.

Most of the companies to which Mr. Haviland's committee wrote for suggestions have replied. With these replies to assist it, the committee hopes to be able to work out a program which will take care of the situation, which was of course not foreseen when the agreement was drafted.

To date no other companies have followed National Life of Vermont's lead in withdrawing from the agreement.

Adams Oklahoma City Speaker

Dr. A. B. Adams, dean of business administration at the University of Oklahoma, addressed the Oklahoma City C.L.U. chapter on "Current Changes in Our Economic Structure Influenced by Our War Program." Managers and assistant managers and trust officers of

several leading banks were invited as guests.

Wyatt Is Boston President

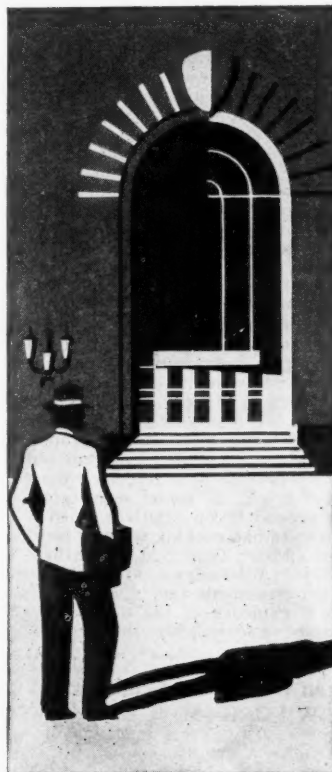
Clarence W. Wyatt, general agent of John Hancock in Boston, has been elected president of the Boston C. L. U. chapter. Wallace N. Watson, Connecticut Mutual, was elected secretary and Basil Collins, Old Colony Trust, treasurer. Members of the executive committee are Paul F. Clark, vice-president John Hancock; Richard L. Emerson, Phoenix Mutual; George P. Smith, New York Life; Gerald Murphy, Metropolitan; Nelson D. Sylvester, Northwestern, and Prof. Leo D. O'Neil, Boston University.

Ten representatives of Equitable Society in St. Paul have just completed a two weeks school on estate insurance conducted by Daniel Mason and James Bergen of the home office.

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*A big company can be
just the right size*



There is a paradox about Connecticut General's size . . . a paradox that works for the benefit of all our men, both new and old.

Connecticut General is a big company . . . fourteenth largest in its field, with over a billion of insurance in force. Yet it is small enough so that immediate, personal contact between top-management and men in the field is not only practical, but an everyday occurrence. Connecticut General men can invariably secure sound management counsel and immediate home office cooperation whenever necessary.

Because Connecticut General is an expanding organization prompt recognition of men with management capabilities is assured.

Combine these factors with the comprehensive training program that we offer all new agents, and you have an important reason why Connecticut General men originally chose Connecticut General.

Connecticut General

LIFE INSURANCE COMPANY

Hartford, Connecticut

Life Insurance, Accident and Health Insurance, Salary Allotment Insurance and Annuities, All Forms of Group Insurance, and Group Annuities.



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Take Up Problem of General Agent

Study Effect on His Contract of Changes in Agent's Compensation

The joint committee on compensation of agents is now giving attention to the problem of the general agent. The suggested change in the pattern of agency compensation does, of course, affect the contract of the general agent. Particularly is he affected by the payment of the 2 percent service commission throughout the life of the policy. Should these payments be the obligation of the general agent, then the estate of the general agent would have to be held open indefinitely. Hence there is agreement that the obligation must be assumed directly by the company.

In the new compensation plans that have been introduced so far, two trends are discernible. There is the type represented, for instance, by the recently announced plan of New England Mutual, under which the 50 percent graded first year commission is retained; some of the 5's are converted to make room for the continuous 2's. The other pattern of which the Equitable Society plan is typical includes decreasing the first year commission and bunching renewals during the second and third years.

McCance Named Assistant

Joseph T. McCance has been named assistant general agent of Aetna Life at Hartford, associated with C. Gilbert Shepard, general agent.

Mr. McCance is an alumnus of Loomis School and Yale, and has been an agent of Aetna Life since graduation from Yale in 1928. He has made a remarkable record and ranked as high as fifth nationally in the Aetna. He is vice-president and campaign manager of the Hartford Community Chest, past president Connecticut State Life Underwriters Association, director Family Service Society and past director of the Hartford Life Underwriters Association. He was awarded the C.L.U. designation in 1939.

John M. Laird, vice-president of Connecticut General Life, suffered an attack in Chicago while attending the meeting of the American Institute of Actuaries and he is confined to the Edgewater Beach hotel. His condition is reported to be entirely favorable. His trouble was coronary occlusion.

Continental American Agency Chief Dies

Ralph E. Halstead, superintendent of agencies of Continental American Life, died Saturday. Services were held Monday at Rochester, Pa.

For over a year he had been ill, with little chance for recovery. A month ago, in spite of his sickness, he presided over a four days managers' meeting and at the time he was stricken, he was prepared, with suitcase packed, for a business trip to Rochester and Syracuse.

Mr. Halstead entered the Continental American service March 25, 1935. He occupied various positions in the home office agency department, and Oct. 17, 1940, was appointed superintendent of agencies. He was an experienced, intelligent agency officer.



R. E. Halstead

Ceiling for Agents Is Unlimited, Berwick Finds

If an agent really appreciates what it means to sell life insurance, then he has "the fire under the boiler" without which no agent can be a success, H. B. Berwick, supervisor of field service of Manufacturers Life of Canada, said in his talk at the sales congress of the New Jersey Association of Life Underwriters.

Agents of the U. S., Canada and Britain are entitled to be proud of the contribution they are making to the perpetuation of the democratic way of life, he said. They are helping curb inflation, building family morale, and supplying greatly needed funds to the government, and they are building individual and family security for the post-war era.

Up to the end of 1941, Manufacturers Life had 113 members of its field organization in active service, and they produced nearly \$6,250,000 of new business in the 12 month period immediately preceding their individual enlistment.

Fewer Men, Greater Production

Yet last year the remaining organization not only made up this loss of production but in addition secured \$10,000,000 more business than in the previous year, and membership in production clubs was the largest in the last 10 years. Business in force nearly doubled, reflecting a substantial improvement in terminations combined with the increase in new business.

Mr. Berwick contrasted the possibilities for the life insurance agent today with those of salesmen in other fields who are being hit right and left by priorities, rationing, price ceilings, etc.

Life insurance sales must keep pace with the progress in the medical, investment, actuarial and accounting ends of the business, he said. Its future will depend upon how well it does this. Experience shows that the only reason people generally do not own larger amounts of life insurance is failure of agents to present their proposition in a way which causes the prospect to realize their need. There were 27,500,000 families in the United States in a recent year with an average income per family of \$2,800 per year. If 10 percent of the annual income of these families had been spent on life insurance, there would be \$100,000,000,000 more life insurance in force today. In 1937, 78 percent out of 7,860,000 persons 65 or older on the records of the U. S. social security board were dependent on relatives, friends or charity and had nothing to show for their life of effort. They had to continue to work for a livelihood after they had reached retirement age. On every hand there is evidence of the need for what agents have to sell, Mr. Berwick said.

Ziegen Named by Goldstein

NEW YORK—M. M. Goldstein, general agent of Connecticut Mutual Life in New York City, has appointed L. L. Ziegen to an executive supervisory post in which he will handle brokerage and some full time production. His first life insurance connection was with Phoenix Mutual. In 1938 he became branch manager of the Knight agency of Union Central here. In addition to managerial duties he has been a substantial personal producer, specializing in estate planning and pension trusts.

Unfurls 65-Star Flag

WORCESTER, MASS.—A 65-star service flag was unveiled in the lobby of the State Mutual Life. Participating in the dedication were Chandler Bullock, president; Donald W. Campbell, treasurer and chairman health and social service; N. P. Wood, secretary and director of war savings bond to employees; R. N. Hayes, assistant secretary; C. V. Booth, president Fellowship Club, and H. J. Lumbra, auditor.

Siegmund Makes Changes in Los Angeles Agency

W. H. Siegmund, general agent Connecticut Mutual Life in Los Angeles who is on active duty with the navy as lieutenant commander, has changes in his agency staff. R. S. Northington brokerage supervisor, soon will enter service and M. V. Kuhn, Long Beach branch manager, has been named to succeed him. J. S. Pennington, Long Beach office, succeeds Mr. Kuhn as manager in Long Beach.

Mr. Northington entered the business with his father, then Connecticut Mutual general agent in Los Angeles, remaining until his father's retirement in 1940, then becoming brokerage supervisor under Mr. Siegmund.

Mr. Kuhn entered the business in 1933 with Connecticut Mutual and had a high level of production. He was appointed Long Beach branch manager in 1940. Mr. Pennington has been in the business since 1930 at Long Beach and is past president Long Beach Life Underwriters Association, and in 1940 was treasurer of the California State Association of Life Underwriters.

At the end of May the Siegmund agency showed a gain of 20 percent in new paid-for business for the year compared to the same period last year.

Van Stralen Honored at S. F.

At a meeting of the San Francisco Life Underwriters Association this week a surprise feature was the award of the Heron trophy to F. J. Van Stralen, general agent Massachusetts Mutual, for accomplishments as chairman in the

defense bond sales drive. The last award of the trophy was to J. M. Hamill, associate manager Equitable Society.

Siegel Trial Again Postponed

Trial of Samuel M. Siegel, co-proprietor of Policyholders Advisory Council, New York city, again has been postponed, this time because the defendant has obtained a new lawyer. Originally scheduled for June 1, the case was postponed to June 10 because a defense witness failed to appear. It is now set for June 22 on charges of passing a worthless check.

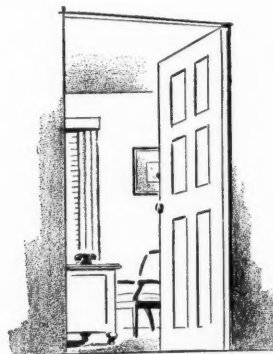
Ore. Commissioner Post in Doubt

PORTLAND, ORE.—The future of Commissioner Thompson of Oregon is somewhat in doubt as the result of Governor Sprague's defeat in the primaries. The Oregon commissioner is appointed by the governor. Earl Snell, now secretary of state, defeated Governor Sprague for the Republican nomination.

Opposing Mr. Snell on the Democratic ticket is Lew Wallace, Portland life man, formerly manager in Oregon of Canada Life. Neither candidate has indicated whether there would be a change in the commissioner's office.

Winter Agency Assistant

John C. Winter, Columbus, O., has been appointed special agency assistant by Robert J. Johnson, agency director of Bankers Life of Des Moines in that city. He has been connected with an eastern agency in Columbus. The agency territory covers 4 counties in Ohio.



ANOTHER "OPEN DOOR" POLICY

Visitors to the Home Office frequently comment about it, yet it is nothing new. Its origin goes beyond the memory of present personnel:

The doors of the Executive Offices are never closed.

This accessibility of the Company's senior executives to fieldmen contributes to the friendly understanding between them and the Home Office management.

The Mutual Benefit

LIFE INSURANCE  COMPANY

Organized 1845 · Newark, N. J.

IN U. S. WAR SERVICE

R. H. Matthias of the Chicago law firm of Ekern, Meyers & Matthias, which is prominently identified with the insurance business, reports Saturday in Washington to the fiscal division service of supply of the army. He has the commission of captain and will handle the drafting of budget and legislative bills for the army. Mr. Matthias has done a great deal of insurance legislative work. He is a former president of the Illinois Fraternal Congress.

Three more **Union Central Life** men have entered service: Charles G. Smither, partner in the Smither & Sons agency in New Orleans, who is in the officers' training school at Camp Beauregard, La.; William B. Baker, supervisor of the Houston agency, a lieutenant in the naval reserve, and Wofford G. Rathbone of the San Antonio agency, a captain in the army. Mr. Rathbone served in the last world war.

The **Peoria (Ill.) Life Underwriters Association** now has seven members in service, including Kenneth Davis, W. R. Kirkpatrick and Joe Yock, Prudential; H. K. Frazee, J. R. Holzapple and Robert Montgomery, Connecticut Mutual, and F. C. Gedge, Jr., Penn Mutual.

Vice-president **Guilford Dudley, Jr.**, of Life & Casualty of Nashville has been commissioned a lieutenant in the naval reserve and will be connected with the aviation administrative department. He was a member of the Tennessee national guard during his college days and for several months he has been a captain in the state guard. The management of the ordinary department will be divided during his absence. Vice-president W. V. Walker will supervise the southeastern territory and Vice-president C. M. Herron the Mississippi valley territory. O. P. Grant, personnel director, will carry on the educational work.

R. T. Besser, brother of Edwin E. Besser, Jr., general agent of Lincoln National Life in Chicago, and leading producer of the agency, has entered army service.

W. V. Power, San Francisco general agent of Connecticut Mutual Life, has been commissioned a lieutenant, senior grade, in the navy air corps. Mr. Power was accepted for service June 4 and on June 10 left for an eastern training institution. James L. Taylor, Oakland, Cal., general agent, will assume general supervision over the San Francisco office as acting general agent. Gregory Weingetz, manager of the brokerage department, becomes associate general agent and will conduct the production activities.

Edwin R. Brock, outstanding agent in the Des Moines agency of Penn Mutual, will report June 11 as a second lieutenant at Fort Warner, Cheyenne, Wyo.

Bernard Fitzpatrick, former Bankers Life agent in the Minneapolis-St. Paul agency, has been reported "missing in action." He was last heard from fighting on Bataan.

Stephen Hobert, formerly with the W. F. Mulconery agency of New York Life in Wichita, who enlisted in the air corps about a year ago, has been promoted to first lieutenant and is reported to be serving as a pilot on one of the B-26 bombers.

Col. George M. Chescheir, in civilian life general agent of New England Mutual Life in Louisville, now stationed at Camp Selby, Hattiesburg, Miss., already has a son, George, Jr., who is an officer in Hawaii, and a second son, William, is just entering the field artillery officers school at Fort Sill, Okla.

Ira Fischer, well known in St. Louis life insurance circles, is now supply officer with the 7th Squadron, Chanute Field, Ill. He is a captain in the air force reserve.

Capt. Walter I. Black, Omaha general agent of John Hancock Mutual Life, on leave of absence with the armed forces, has been made head of the army

Maduro Charges Management Has Defeatist Attitude

Life company management came in for sharp criticism for "cooperating with the inevitable" at the annual meeting of the New York City Life Underwriting Association. Denis B. Maduro, counsel of the New York association and of the law and legislation committee of the National Association of Life Underwriters, charged the home offices with taking it for granted that united public support cannot be obtained for the institution of life insurance in its disputes with the federal government and that in such disputes life insurance should confine itself to a defensive role.

Mr. Maduro denied that either of these courses was inevitable and pointed out that waiting until the business is attacked may mean delaying until it is too late to prevent the government from absorbing the life insurance business or at least controlling it. He emphasized that life insurance is in the same boat with other businesses as far as this threat of government absorption or control is concerned.

Public Attitude Is Important Thing

While the big question in the agent's mind today is the effect on the purchasing public of the elimination of tax advantages and exemption previously given life insurance of the reduction in the public's spendable income because of higher taxes and living costs, Mr. Maduro declared that these questions are really secondary to the all-important consideration of what the public thinks of life insurance. If the public thinks of life insurance as continuing, as a private institution that can be depended on to remain so and to carry the buyers' purposes, a repository not only for his surplus income but his capital funds as well, there will be no need to worry about the effect of less favorable tax treatment. Reduction in spendable income means that the buyer or policyholders may have to make a choice between life insurance and some less soundly passed type of property and it is under such conditions that his opinion of life insurance will be put to the test.

Too much selling in recent years has been done on the basis of the tax advantages of life insurance, Mr. Maduro said. Agents who have sold insurance solely or mainly on the basis of its tax advantages rather than on its fundamental character should not be surprised if they find a disposition to discount the worth of insurance as soon as it loses its preferred tax treatment, he said.

The previously announced slate of new officers, headed by Lester Einstein, general agent Mutual Benefit Life, was elected. President Beatrice Jones made her report covering the past year.

air force technical training service command that is training detachments at Glendale, Cal.

R. B. Hill, 2d, son of Wm. Carroll Hill, Boston representative of THE NATIONAL UNDERWRITER for many years, has started training as a navy pilot at Quantum, Mass.

L. T. Waggoner, agency assistant in the Mutual Life of New York home office, has been commissioned an ensign in the navy and shortly will report at Norton, Conn., for basic training. T. D. Harvey, supervising assistant in Mutual's Taylor agency in New York City, has been assigned to duty at Wright Field, Dayton, O.

Leonard Woods, special agent of Massachusetts Mutual Life in St. Louis, has resigned to become a lieutenant commander in the navy.

Jouvenat Wins National Honor

J. Baxter Jouvenat, Jr., the Phinehas Prouty, Jr., general agency of Connecticut Mutual Life in Los Angeles, for the second time was awarded the Northing-

ton trophy by his company in recognition of having led all West Coast agents in conserving business. Eleven other members of the agency received recognition for outstanding work.

Protests Unlicensed Solicitation

OKLAHOMA CITY—Commissioner Read has asked the assistance of the commandant of the Fort Sill military reservation in preventing unlicensed agents from soliciting business on the reservation for companies not licensed in the state. He advised that under the Oklahoma laws an agent soliciting business for a non-admitted company is guilty of a misdemeanor, punishable by fine of \$50 to \$100 for each offense.

He enclosed a copy of a letter written several years ago by P. J. Hurley, when he was Secretary of War, stating that he had directed that only such companies as comply with insurance laws of Oklahoma be permitted to solicit insurance on military reservations in that state.

Michigan Agents Gather

Michigan agents of Alliance Life met at Lansing. Seth R. Burwell, director of the life and fraternal division of the Michigan department, told of results accomplished by the training program

which the department requires in the case of all new agents. A. J. Borchardt, department actuary, discussed the company's financial stability. He participated in examination of Alliance a few months ago. A round table discussion was presided over by B. T. Kamins, agency director.

Aetna Campaign in June

The Aetna Life affiliated companies are conducting a nation-wide accident and health campaign during June. Prizes to producers will be in war stamps and bonds.

Mallon, Perry in Okla. City

E. Lloyd Mallon, assistant director of agencies of Massachusetts Mutual, and Kenneth W. Perry, agency assistant, were guests of the J. Hawley Wilson agency in Oklahoma City.

Arthur A. Fisk, who retired in March as advertising manager of Prudential, suffered a broken leg Memorial Day when he fell from the hotel porch at Virginia Beach where he and Mrs. Fisk had stopped on their way north from Florida. Mr. Fisk is convalescing at the Medical College of Virginia hospital, Richmond, and will be there for the next eight weeks.

"The Friendly Company"

THE OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO T. W. APPLEBY, President

NEW OFFICIALS OF INSURANCE COMMISSIONERS ASSOCIATION



J. S. WILLIAMS, III, Mississippi
New President



C. F. J. HARRINGTON, Massachusetts
Vice-president



JOHN A. LLOYD, Ohio
Executive Committee Chairman



JESS G. READ, Oklahoma
Secretary

Commissioners Face Provocative Issues

(CONTINUED FROM PAGE 1)

at the Hotel Pennsylvania, New York City, early in December, the exact date to be decided later.

H. M. Morin, commissioner of Rhode Island announced Wednesday that he has resigned and is taking a position with a fire company, the name of which he did not disclose. He was nominated as a member of the executive committee, but declined.

Guertin Report Deferred

A surprise of the session was the decision to defer final action on the report of the A. N. Guertin committee on non-forfeiture benefits and reserve standards in life insurance to the December meeting, if it should be held, or if not to the next meeting. After several years of profound study the committee at Denver submitted its final report and many felt that it would be accepted without question. However some issues were raised and there was a rather sharp encounter between Harrington of Massachusetts and Gough of New Jersey Tuesday and the vote was 21 to defer action against 12 for immediate approval.

Perhaps the most ambitious project of the convention was a scheme to handle interstate rating of compensation business and to tackle similar problems in fire and other casualty fields. In connection with this project there were produced a bewildering assortment of reports, surveys and resolutions. The hearing on this subject was the most largely attended of any committee meeting but the crowd had not been able to absorb the mass of material and the results were inconclusive.

Close Did Not Appear

This is said to have been the largest convention in history with nearly 700 registered. The Denver hosts were unusually attentive and kept the few off hours filled with entertainment. In keeping with the times the social features were not of an extravagant nature but they did provide an opportunity for fraternizing and doing effective committee work so to say in congenial surroundings. The big event was the buffet dinner on the grounds of the Lakewood Country Club Monday evening with the mountains like a stage setting in the distance. The Denver committees were headed by W. Lee Baldwin, president of Security Life & Accident of Denver, who was a working chairman.

The group was greatly disappointed

that James W. Close, counsel for R.F.C., who was to have given a talk on the War Damage Corporation, could not keep the engagement. Many had hoped to hear from him authentic, last minute information on the program.

The valuations committee adopted a formula for the 1942 annual statement. The principal change concerns the test for eligibility for amortization. Last year a bond selling for less than 65 had to be entered at market and if selling for 65 or more could be amortized. Under the new scheme a bond that yields more than 3.9 percent plus the yield on a taxable federal issue of the same maturity must go in at market. That ingenious invention of Moody's experts caused much interest and for the rest of the day everyone kept busy explaining to each other how it would work out.

Relief in Income Tax

Jones of Illinois offered a resolution that made a hit with the life insurance element supporting the proposal that same measure of relief be granted to the federal income tax payer for life insurance premiums that he has paid.

Definite progress seems to have been made in the movement to bring about uniformity in life insurance war clauses. Although final action was not taken the question was referred to a subcommittee with instructions to report to the life committee within 30 days.

EXECUTIVE COMMITTEE

The executive committee went into session Sunday afternoon, holding a short open meeting and then going into a closed conference. At the open session Commissioner Harrington of Massachusetts, the chairman, announced that James W. Close, counsel of the R.F.C., who was to have addressed the Tuesday morning meeting, on the setup of the War Damage Corporation, would be unable to keep the engagement because of press of duties at Washington.

Insurance Director Fraizer of Nebraska submitted an invitation to hold the 1943 annual meeting at Omaha in June.

E. B. Raub, president of Indianapolis Life, presented a statement from the committee of the American Life Convention on state supervision, recommending that the tenure of office of commissioner be made six years, uni-

formly throughout the country; endorsing the resolution adopted by the zone 1 commissioners in April for rigid qualification of examiners; advocating uniform and more exacting requirements for the licensing of life insurance agents, and favoring the establishment of a central office by the commissioners with a permanent staff.

George Boissard, president of National Guardian Life, is chairman of the A.L.C. committee, and Mr. Raub was presenting the statement in his absence.

Commissioner McCormack of Tennessee inquired whether the A.L.C. committee favors elimination of part time agents. Mr. Raub said that although such a stand was generally advocated a year ago, opinion today is divided.

Sunday evening there was a jolly get-acquainted cocktail party with the Denver committee as hosts.

First General Session Monday

Monday morning two committee meetings were held and then the first general session was held with Hobbs of Kansas in the chair. Lieutenant Governor Vivian of Colorado and Mayor Stapleton extended greetings, with response by Williams of Mississippi. La France of Quebec spoke a word and was heartily applauded when he mentioned the great U. S. naval victory of Midway Island. To the roll call answered the commissioners of 38 states and two Canadian provinces. Mr. Hobbs named on the resolutions committee Julian of Alabama, Thompson, Oregon; and Gontrom, Maryland; and on the auditing committee Fischer of Iowa, Rummage, Arizona, and Fraizer, Nebraska. Then Mr. Hobbs delivered his presidential address.

Jess G. Read reported that the receipts during the fiscal year were about \$4,000 and disbursements were \$3,956. The balance on hand is \$2,532.

Committee Hearings in Afternoon

Monday afternoon was devoted to committee hearings, the most important being those of the life committee to consider the war clause question and of the accident and health committee. The fire and marine committee to take up the question of renewal certificates did not hold its scheduled meeting despite the fact a large number of camp followers appeared at the meeting room.

Ralph Alexander, Pennsylvania deputy, was distributing cigars in behalf of "Pittsburgh next." He would like to have either the 1943 annual convention in Pittsburgh or the December mid-winter meeting.

Monday evening the entire group was

taken to the Lakewood country club for a buffet supper and dance.

The Monday evening party was exceptionally enjoyable and was the high point of the week from a social standpoint. A sumptuous buffet was served to more than 700. The famous Denver University Square Dancers provided the entertainment.

On hand was Maj. K. H. Bair who is stationed at Lowry Field. His home is in Greensburg, Pa., and he is a past president of the National Association of Insurance Agents.

Tuesday morning was held the meeting of the valuations committee and then another general session at which there were some enlivening passages.

A telegram of greetings was read from Clarence Neslen, former Utah commissioner, who is now a colonel and post chaplain at Fort Lewis, Wash. Read of Oklahoma reported as secretary.

Executive Committee Report

Harrington of Massachusetts read the report of the executive committee and when he had finished another Gough-Harrington tiff developed. At the recent Louisville meeting, the executive committee sent a telegram to the blanks committee instructing the latter to amend the annual statement blanks to include salaries, including all compensation and emoluments, of \$5,000 and more of all types of insurers. Gough charged that Harrington in his report had not correctly stated the fact in that it had been taken after some bickering the report was amended somewhat. The salary question started to get an airing at that time but the discussion was cut short. Julian of Alabama inquired whether approval of the Harrington report meant the association was approving the publicizing of salaries, if so he said he wanted to enter opposition. He was told that this matter would come up in a supplementary report Wednesday morning.

Mrs. Elsie Mayer of Denver, president of the National Association of Insurance Women was introduced.

Tuesday Afternoon's Committees

Tuesday afternoon was devoted to committee meetings. The most largely attended session of any at Denver was that of the committee in interstate rating with Pink of New York presiding.

At a meeting of the examinations committee Wednesday morning the various proposals to establish standards of qualifications for examiners were voted down, and the subcommittee was discharged. The opinion was voiced that constant improvement is being made in

handling examinations and the subject should not be continually probed and discussed.

The committee on real estate valuations, at a meeting Wednesday morning, with Harrington presiding, discussed the results of a questionnaire which elicited the fact that most of the states are using the regulations as set up. A preliminary draft of a revised form of appraisal report was submitted for consideration. The committee voted to ask to be continued.

McCormack resigned as chairman of Zone 3 after serving since 1939. Scheufler was elected chairman.

MOUNTAIN BREEZES

A number of commissioners and their camp followers tarried between trains in Chicago last Saturday enroute to the Denver convention of the National Association of Insurance Commissioners. The Illinois insurance department had installed a suite at the Hotel LaSalle where a number gathered during the morning. The eastern people arrived early in the day and spent most of the time either in headquarters or visiting insurance offices in the city. A. G. Smith, deputy in charge of the Chicago office of the department, was the chief host. However, Assistant Director C. M. Kinney was on hand. Georges LaFrance, superintendent of insurance of Quebec, and H. D. McNairn, the Ontario superintendent, joined the party at the hotel.

Insurance Director Paul F. Jones, Retiring Chief Deputy R. T. Nelson and Actuary Haffner went on to Denver to attend the convention.

Col. H. P. Dunham, vice-president of the American Surety, and Mrs. Dunham two days before they left for Denver opened their home in Hartford where they spend the summer.

Commissioner R. F. Apodaca of New Mexico joined the party at Chicago Saturday. He had been in Florida and then went on business to Washington, D. C., being able to dispose of it in time to get to the Denver meeting.

Superintendent Pink of New York addressed the Denver Kiwanis Club Wednesday.

J. W. Kennelly, deputy commissioner of North Dakota, who has been for the past few days a lieutenant in the army air corps, mingled with his friends at the convention Sunday. He is stationed at Lowery Field at Denver.

Allan Bromsmith, counsel of Travelers, was receiving congratulations at the Denver meeting of the commissioners when the news got about that he has a two weeks old daughter, Allana.

Crerar Manager at Spokane

R. E. Crerar has been appointed manager of the Spokane branch office of West Coast Life. He entered insurance 16 years ago. His son Robert is on an United States destroyer somewhere in the Pacific.

Dividend Payments Dropped Last Year

Some Offset Was Made in Mortality and Expense Savings

Due to the continued decline in interest rates, dividend payments to life insurance policyholders dropped \$35,944,000 in 1941, the Institute of Life Insurance reports.

Reduced mortality and economy in operating expenses have enabled the companies to offset in part the steadily declining interest return on investments, but not all, and therefore dividend reductions have been made necessary.

Reduce Policy Payments

Dividend payments to policyholders last year amounted to \$432,000,000, compared with \$468,144,000 in 1940.

Fifty per cent of the dividends paid to policyholders last year, of \$216,500,000, was used to reduce premium payments, according to an analysis of the use to which premiums are put.

An additional \$74,900,000, or 17 per cent, was taken in cash by the policyholders or used to reduce policy loans.

How Money Was Used

A total of \$64,000,000 or 15 per cent was used to purchase paid-up additions to the policies and \$800,000 was used to shorten the premium paying period of existing policies.

Policyholders left an aggregate of \$76,000,000 of their dividends with their companies, to accumulate at interest. Of the total dividend payments 82 per cent were put to direct, immediate use by the policyholders, while 18 per cent stands as an emergency "cushion" for the future for those policyholders.

Cripes with Occidental as Supervisor in Chicago

Floyd E. Cripes, formerly agency supervisor of the Chicago branch office of Union Central Life, has joined the Chicago branch of Occidental Life of California as supervisor. He entered life insurance work in 1926 as an agent in Chicago for Equitable Society. In 1931, he joined the Chicago staff of Connecticut General and in 1940 went with Union Central as supervisor. He attended college at Manchester, Ind., and had a year of post-graduate study at University of Chicago school of business.



F. E. Cripes

Schilling and Guinn Are Named by Manhattan

C. M. Schilling has been named general agent at Burbank, Cal., by Manhattan Life and S. Lester Guinn becomes Texas agency organizer with headquarters at Dallas.

Mr. Schilling is a graduate of Iowa State University and since 1934 has represented Equitable of Iowa at Burbank.

Mr. Guinn began as an agent with State Life of Indiana at Denver in 1918. He was appointed general agent there for State Life in 1919 and state manager in 1922. In 1923, he was named Denver branch manager for Jefferson Standard. In 1926, Mr. Guinn resigned to organize Continental Mutual of Denver. He was president of it and its successor, Gibraltar Life until 1932, when he went to San Francisco to organize Benjamin Franklin Life.

Northwestern Mutual Leaders

C. R. Eckert, Detroit general agent of Northwestern Mutual Life, led the general agency force for May in both volume and number of lives paid for. The amount was well over \$1,000,000 on 240 lives, and brings the Eckert agency into third place for the first five months with a total of over \$4,000,000.

Old Line Life Names McIver at Oskosh

John A. McIver has been appointed general agent of Old Line Life of America at Oskosh, Wis.

He has been with the company since 1940 and has served as district agent and later as assistant general agent in the John A. Phillippi general agency at Wausau, Wis. Coincident with this new appointment, it was announced



J. A. McIver

Mr. McIver has also become president of the Old Line Star Leaders Club, an honor organization of its leading salesmen with qualifications based on premiums and persistency of business.

Hobart & Oates, Chicago, are first and Clifford McMillen, New York City, is second in rank for the year to date.



WE'RE IN GOOD COMPANY

So popular, so practical is Minnesota Mutual's Payroll Deduction Plan, that Uncle Sam now employs payroll deductions for selling War Bonds.

All workers, including the ever-mounting numbers of men and women in war industries, are therefore doubly receptive to this convenient means of purchasing family life insurance at low monthly rates. Remember, Minnesota Mutual's automatic Payroll Deduction Plan requires practically no work or expense on the part of the employer. In the light of present needs and circumstances it is an indispensable part of today's sales equipment. May we send you the complete details?

A Quarter Billion Dollar Mutual Company, 62 years old, with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

MANY GRADUATES

this June will enter military service. However, nearly half the graduates are young ladies who will find immediate employment. Because Alliance Life policies are adaptable to the needs of female risks, its salesmen have many new prospects this month who can now afford personal insurance protection.

B. T. KAMINS, Agency Director

ADEQUATE REINSURANCE SERVICE

Life
Accident
Disability
Substandard

R. E. BUTTON, Reins. Secy.

ALLIANCE LIFE INSURANCE CO.

Executive Offices
750 N. MICHIGAN AVE., CHICAGO

Shortage of Actuarial Students Causes Concern

(CONTINUED FROM PAGE 6)

duced. He suggested that the examinations be of a rigid nature but that perhaps they should not undertake to cover such advanced ground but rather to rely on the actuarial associations to provide this advanced knowledge once the student has been admitted to fellowship. Speaking in a humorous vein, Mr. Hohaus said he desired to advise students not to stay engaged while they are studying. They should either get married or defer their courtship.

F. D. Kineke referred to the suggestions as to method of study that were set forth by Mr. Sarason. He expressed doubt that a fixed set of rules could be offered that would apply to all students, due to a variation in study habits of individuals.

College Man Comments

Carl Fisher of the University of Michigan found that in a recent examination 65 percent of the successful candidates were located in New York; 23 percent were located in other insurance areas and 12 percent were from scattered localities. This suggests that the competent tutoring that is given in New York is a big help. However, he observed that in the large companies the new man in the actuarial department is assigned to fairly routine duties so that his evenings are free for study whereas the new actuarial employee in a small company may be called upon to handle more mature work and thus have less time for pure study.

He suggested that the actuarial societies might set up standards for actuarial education in universities and designate certain of those institutions as class A schools. Graduates could be credited with the first three or four examinations for associateship. In that way the younger men could take their examinations at an earlier date and "make their lives more livable and release their energies for research." Among other things he said this would give the associations a greater degree of supervision over the students in the universities.

Shortage of Students

Arthur Pedoe, actuary for Canada of Prudential of Great Britain, said that there is a critical shortage of actuarial students today. He declared it is appalling that it requires 10 to 15 years after graduating from a university to pass the examination. Studying religiously in all a man's spare time for 10 years would turn him into a monster, he declared. He expressed the opinion, however, that many of those that take such a long time go at the task rather half heartedly. He said that he got his English F.I.A. in four years but he studied a full 30 hours each week and all of his holidays were devoted to study. "A man," he said, "couldn't show originality in his work after 10 or 15 years of penal servitude." He strongly advocated a properly organized system of actuarial tuition.

In the session devoted to informal discussion that was "open" the subjects of underwriting and office practice in war time were treated. G. W. Fitzhugh, Metropolitan Life, gave some interesting observations on war time problems in group insurance.

TEMPORARY GROUP

The supposedly temporary nature of war time industries raises some questions. In a permanent group, the higher first year expenses are neutralized over the years by lower renewal expenses and a satisfactory average is produced. However, in a temporary group there is the consideration that the averaging process will not have an opportunity to work. The employee gets a policy that may last only a year or two and this may cause disappointment to him. Experience has shown

that when group insurance in force decreases, the claim rate goes up, particularly insofar as disability is concerned. Moreover there is adverse selection from conversion of group policies to permanent forms. Hence there is the possibility in insuring temporary war industries that a high disability claim rate and adverse selection from conversion may come about when the emergency passes.

The group writers are faced with a catastrophe hazard particularly in munitions plants. In trying to discover the actual hazards involved, the underwriters encounter military secrets. Metropolitan has adopted the policy of declining to issue a group policy to a separate risk that possesses a catastrophe hazard. An old group policyholder at the instance of the government is putting up a new plant that involves a catastrophe hazard and if the employees at that plant constitute a relatively small percentage of the entire employes of the assured, then Metropolitan will write the business under one package so as to get the combined experience.

Non-Occupational Eschewed

There has been some demand for accident and health surgical benefits, death and dismemberment, hospitalization, etc., on a non-occupational basis. Metropolitan has decided that if it is not willing to take the hazardous part of the risk it will not accept the non-hazardous.

Contrary to expectations there has been very little decrease of group insurance in force in connection with business that existed prior to the war. Executives are hard to see these days and a different sales approach is needed. The group departments have lost many men to war and to war industries and it is difficult to maintain the accustomed service to policyholders.

OVER INSURANCE

Several members discussed the question of whether the customary standards of gauging over insurance should be revised downward in view of increased individual income taxes and inflated incomes. Some members felt that the old rule of thumb that a risk should not be granted more insurance than can be purchased with 20 percent of income should be revised downward. Pearce Shepherd, Prudential, however, expressed the belief that the present methods do not have to be revised. The question to be asked is whether the amount of insurance involved makes sense in view of the whole situation, including taxes and obligations of the risk. Few cases of over insurance are coming through these days, he said. He prophesied that there will be some anti-selection insofar as old policies are concerned but that is beyond the control of the underwriter.

A. C. Webster, Equitable Society, expressed the opinion that the problem of over-insurance is a question of the individual risk. The newly rich policyholder is a big problem. Men that were getting \$3,000 a year now are getting \$30,000. A good many of these are salting away as much of their new income as possible in life insurance. He said that such risks should be underwritten very strictly and the temporary prosperity should be taken definitely into account.

R. C. McCANKIE'S VIEWS

R. C. McCankie, Equitable Life of Iowa, voiced the belief that where a man's gross income is less than \$15,000 there need be no change in underwriting standards but above that figure he suggested that the full standard of 20 percent of income is too high. He

feels that a good many substantial policyholders will be affected by the taxes and many will feel compelled to readjust their insurance.

One of the Canadian members felt that due to the new taxes those with an income of \$5,000 should be limited to the amount of insurance purchased by 17 percent of income; those with \$10,000 gross income should be limited to 15 percent; \$25,000, 12 percent and \$50,000, 8½ percent.

Where a man is getting much higher wages in a war industry than he got in his civilian job, the underwriter, he said, should give weight to the civilian wage scale.

Economies in Operation

On the matter of adjusting office practice to effect economies, two interesting talks were given, one by E. B. Whittaker and the other by R. G. Stagg of Lincoln National Life.

Mr. Whittaker said that there are two types of economies that can be made, one pertaining to personnel and the other to "things." Insofar as personnel is concerned, savings can be made by introduction of wage incentives, longer working day, establishment of job priorities which includes division of work as between those routines that are essential such as those pertaining to the legal and contractual obligations of the company and those that are necessary but could be postponed such as investigations and reports. At Prudential a questionnaire form was devised to analyze each job. This includes a description of the job, its origin, its cost, when it was last revised, whether any possible alternatives exist, whether the work could be postponed.

In connection with "things," he mentioned postage, express, freight, travel expenses. The Prudential's postage expense is \$700,000 annually. Economies have been effected to the extent of \$30,000. A number of changes have been made including the use of parcel post and sending mail in bulk to one city. The traveling auditors have now been located at points throughout the country rather than traveling from head office headquarters. There can be doubling up on the use of machines. There are two shifts on the Hollerith machines. In replacing office furniture, the simplest types are used, doing away with desks that have a lot of drawers. A comprehensive system of destruction of records has been installed. There has been a doubling up on office telephones. Unessential material in forms has been removed and standard sizes are used. A conservation bulletin is put out to suggest how to save on miscellaneous office supplies. More compact arrangements of the offices have been arranged.

WAR TIME ECONOMY

Mr. Stagg suggested that the companies could just as well make economies in time of peace as in war.

At Lincoln National there is a war time economy committee which is responsible to a major executive. Such a committee, he said, can accomplish a great deal if it has the proper backing. A study should be made of the minimum and maximum effects of the draft on an office. Every procedure, form, routine and report should be reviewed from the standpoint of necessity, and should be classified by its degree of dispensability. There should be an investigation of the possibility of using girls at various points.

Where a change would involve a real sacrifice it would be probably well to postpone such a maneuver until the real pinch comes. If worst comes to worst a company could confine its operations to those involving collecting premiums, making investments in a limited type of securities, mainly gov-

ernment bonds, paying claims and benefits. Anything that is not essential to those duties may have to be regarded as dispensable.

Inspection of Equipment

Equipment should be carefully inspected and watched. A longer working day can be instituted but a company should not go over a 40-hour week. Mail, telegraph, telephone cost should be controlled. Machine operators should be instructed in short cuts and approximations may be in order. Many inter-office reports may not be essential or their frequency could be reduced. At Lincoln National all mortality investigations and all other investigations that are not absolutely essential are being suspended. The maintenance of service by the geographical file has been suspended. A comprehensive program of destruction of records is costly but in the long run it will pay by reason of saving in storage space and files. The rules for agency club membership can be simplified. Amortization of securities might be handled by a proportionate method. A potential economy is to cease sending reminder premium notices and to discontinue all conservation efforts by mail. Mr. Stagg said he hoped that economies will be permitted in the annual statements. For instance, in another year it might be permitted to enter totals only in the assets table without supporting data. Non-medical rules might be extended and attendance at conventions reduced.

New Contributing Members

At the opening session, Mr. MacKinnon reporting as secretary, said that these new contributing members have been admitted: Continental Life of Washington, D. C., Illinois Bankers Life, Modern Woodmen, Aid Association for Lutherans, Royal Neighbors, Maccabees, Woodmen of the World of Omaha. The triennial prize for the best paper given at any of the meetings from 1939-41 was awarded to Edward H. Wells of Mutual Life of New York for his paper on "Qualitative Property of Dividends Produced by the Three Factor Formula."

J. P. Dandy of National Life of Canada is the new chairman of the joint examinations committee. The next meeting of the Institute will be a joint meeting with the Actuarial Society in Toronto, Oct. 19-21.

New Papers Are Presented

Ross Moyer, reporting as treasurer, stated that income for the fiscal year was \$15,473 and disbursements \$13,305. The assets are \$45,045.

New papers presented were those of Annie Mary Lyle, Prudential, on "Discussion of the Electro-cardiograph Codes;" C. A. Spoerl, Aetna Life, "Solving Equations in the Machine Age;" John Boyer, Prudential, "Method of Finding Joint Life Values;" M. E. Davis, Metropolitan Life, "Premiums and Non-Forfeiture Values on Continuous Basis;" W. A. Jenkins, Teachers Insurance & Annuity, "Valuation of Installment Refund and Cash Refund Annuities."

DIVIDEND FORMULAS

In discussing a paper given at the previous meeting on dividend formulas, C. G. Arlinghaus of Metropolitan Life discussed the principles applied by his company in determining mortality, maturity and settlement dividends. He said that the contingency fund of the company is regarded as an aggregate of funds accumulated by individual classes of policies. Each generation of policyholders builds up its own contingency fund which may be returned to them when no longer needed. Although the contingency fund is partly created by a charge in the annual dividend, there is no relationship between the termination dividends actually paid and the charges on the annual dividends that have been made. Other sources of profit may op-

erate to increase the contingency fund and there may be losses to deplete it.

The termination dividends are based on an actual study of the contingency fund at the particular time. The calculations are made on very broad terms. Policies containing disability income benefits may get smaller termination dividends than those without and may get none at all, whereas policies with a double indemnity benefit get higher termination dividends.

E. G. Fassel of Northwestern Mutual Life declared that the system of termination dividends was devised because of defects in the old tontine and semi-tontine systems. New York at one time permitted only annual dividends but that law was subsequently amended.

If surplus were distributed as earned, he said, there would be no termination dividends. On any date, he contended, the contingency reserve belongs to the continuing policyholder. The withdrawing policyholder has been getting his share in annual dividends. The contingency reserve gives additional assurance of safety and dividends may exceed the actual earnings if the level of the contingency reserve can safely be lowered or the reverse may be true.

The annual dividend is the complete accounting, he declared. The withdrawing policyholder is bound by the contingency reserve at the time. It is incorrect to take the position that if the contingency reserve is low when a policyholder enters and high when he leaves he should get the difference. The withdrawing policyholder certainly could not be asked to make a refund if the contingency reserve went down during his experience with the company. The contingency reserve at all times belongs to the group of continuing policyholders. Even if the company should be wound up, those that are left would get an extra amount because they were continuing policyholders.

The principle of a surrender dividend that is being introduced in the proposed model legislation for non-forfeiture benefits and reserve standards is not comparable to what is regularly known as the termination dividend, he said. Surrender dividend is a device whereby a company could pay a higher amount under some circumstances than it would pay under other circumstances. The idea would be to promise a small amount which the company could always safely pay and then to make additional payments if circumstances warranted.

One of the visitors at the meeting was Roy Rummage, Arizona insurance commissioner.

Bendiner Gives Some Rules for Meeting the Times

A clear and forceful outline of the job of the life insurance agent in war was presented at a meeting of the Philadelphia chapter of C. L. U., by Irvin Bendiner, New York Life, Philadelphia, and general counsel for the Pennsylvania Association of Life Underwriters.

The agent must revise his thinking in the modern terms of heavy taxes, low profits, price ceilings, stabilization of wages, purchase of war bonds, rationing, less installment buying and more payment of debts on mortgages, he said. Also, this is a period for decisive action and not conversation. They must concentrate on their job and not on arm chair war strategy and political bickering.

Certain Lines in Demand

Service must be placed before selling. The agent must shift his prospecting groups. There is a demand now for business liquidation insurance. It has a new meaning since the government means to compel the use of cash surpluses by corporations for the purchase of war bonds, and business will be able to realize badly needed cash on the death of a proprietor or key man only through life insurance. There is greater emphasis today on educational and juvenile insurance, and insurance for women.

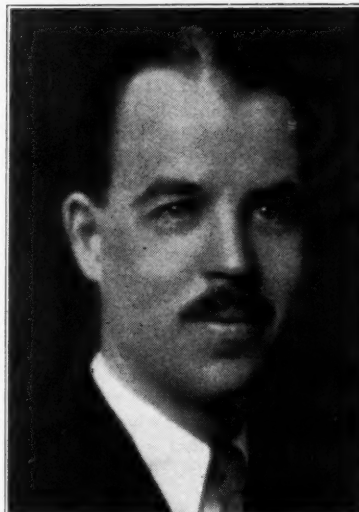
The agent must shift his sales message from thrift to protection, Mr. Bendiner said. The important avenue of thrift which must be emphasized and used is war bonds, but this is not competitive with life insurance because the war has sharpened the need for insurance as protection in case of death.

The agent must shift his hours of work, he must work later and longer. He must see people when they can be seen.

The agent must simplify his selling methods, using the telephone and direct mail to an increasing extent. He must simplify his ideas of presentation, become brief and pointed. He must get positive in his acceptance of responsibility, not wait to be told what to do, but think things through and tell others what to do.

There is no better sales group than agents to preach thrift and the purchase of war bonds, protection and the purchase of life insurance, sacrifice and the voluntary lowering of the standard of living to offset the further development of inflation.

Continues Traditions of Woods Family in Pa.



LAWRENCE C. WOODS, JR.

While the famous Edward A. Woods Company of Pittsburgh has now passed out of existence, the Woods name and tradition will be maintained by the new Woods agency of Equitable Society in Pittsburgh, headed by Lawrence C. Woods, Jr., which will continue to have supervision over a large territory in western Pennsylvania and eastern Ohio formerly covered by the old company.

Roe Named at Lansing

Great-West Life has appointed K. W. Roe district manager at Lansing, Mich. He has been with the company as a salesman since 1938 and established a highly successful sales record. A consistent producer, he has been a member of the company's Honor Production Club for three years and in 1941 was the leading individual salesman of the Lansing agency.

Chicago Managers Golf Party

Herman A. Zischke, manager Union Central Life, won low net prize at the annual golf tournament of the Life Agency Managers Association of Chicago and first low gross prize was won by Eugene Rappaport, Pacific Mutual. President James H. Brennan was toastmaster at a dinner. L. S. Broadus, Guardian Life, and Harry Walter, Penn Mutual, awarded the prizes.



Yarns from our Spinning Wheel

Announcing

New England Mutual's 3-Point Program for Fieldmen's Security

To provide its fieldmen a sounder foundation upon which to build a substantial career as life underwriters, New England Mutual will inaugurate on July 1 a new agents' compensation contract and retirement plan.

Preserving for the agent the advantages of his freedom as an independent contractor, and designed to cause the minimum of conflict with present contracts, "Security with New England Mutual" offers, in outline:

1. A new optional Compensation Contract providing an unchanged first commission and an adjustment of the vesting of renewal commissions to allow a continuous service fee.
2. A sound contributory Retirement Plan whereby the younger agent can build, with the Company's assistance, security for his old age.
3. A Past Service Award to supplement the personal retirement plans of older agents who have given faithful service to their policyholders.


This new program recognizes the growing need for more adequate compensation to the underwriter who sells quality business and gives conscientious long-range service.

New England Mutual

Life Insurance Company

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA • 1835

Our Seventy-fifth Anniversary Year

1867    1942

EQUITABLE LIFE OF IOWA

HOME OFFICE • DES MOINES

EDITORIAL COMMENT

Business Insurance Boom Ahead

WITH managerial brains rather than invested capital becoming more and more the all-important factor in the success of any business enterprise it seems inevitable that business life insurance is due for a big boom in the period immediately ahead and extending out into the postwar era. Capital is a drug on the market; there will be less and less point in emphasizing material values, such as plant and equipment, which have always been religiously protected up to their full values against all conceivable hazards, while the executive genius which makes these facilities worth more than their junk value has been insured to a relatively trifling extent.

In this connection a statement from the Research Institute of America, a business advisory service which has had

a highly successful career in showing business men how to get along with the new deal, is significant. Discussing the price control edict, the institute states: "The harsh realities of total war have translated the relatively mild control of the new deal into comprehensive and absolute control of many of the major business functions—yet these controls as never before put a premium on initiative, ingenuity, daring and resourcefulness."

It seems obvious that as this point of view comes to be more and more appreciated executives and stockholders will become fully aware of the urgent necessity of protecting themselves against the loss of the talent that is responsible for initiative, ingenuity, daring and resourcefulness. After all excellent man power is a big factor.

Getting on a Safe Course

THE legal reserve fraternal that are well managed and have an eye to permanency and increasing strength do not overlook taking action when they find that they can bolster up their foundations and make their superstructure more solid. We have heard of some old line legal reserve companies being very conservative and yet the other day the Royal League of Chicago announced that it would go on the Ameri-

can experience 2½ percent table. That might seem a very drastic step for a fraternal. However, the management realizes that interest rates are down and may continue to decline still further. It is well not only for the fraternal but every insurance institution extending its contracts far into the future, to take no chances but act and prepare for the years to come. It is a time for conservative thinking.

Vast Amount of Material

LIFE insurance from an educational and stimulation standpoint is giving to the fraternity a large amount of constructive and arresting material. The sales congresses held here and there, the life underwriters associations' educational programs, different meetings and conferences, company conventions, altogether give us a vast and diversified lot of material that is unequalled in quantity and quality.

It might seem that with this large output the quality might have experienced a shrinkage. This is not true. In fact the product with few exceptions is far superior than that which we had

had before. Men versed in various lines of the business who are specialists do not hesitate to give others the advantage of their experience.

Men who are carrying the rate book certainly have no excuse for not taking advantage of this product that is thrown in their way. Much of it can be assimilated and can be adopted to good use. These numerous avenues through which most inspiring and informative material is flowing are reaching in all directions and are making available in every community the product of the best minds in business. It is a rich means of securing additional business.

American People Are Frugal

SOME very interesting figures were compiled by the SEC showing that the people of this country are frugal and that they constitute really the greatest savers in the world. It was pointed out that savings last year amounted to 23 billions gross and 14 billions net. This was \$7.6 billions more than saved in

1940. In the last quarter of the year people saved some \$6.8 billions more than any quarter on record. These figures apply only to individual savings. Individual savings do not mean that this is the amount that was used for investment or for savings accounts, insurance, etc. It includes the amount of money

that was spent for different articles. People in 1941 bought more than \$3 billions worth of automobiles, \$1.7 billions non-farm dwellings and nearly \$7 billions of consumers goods. All these are regarded as net savings. It was pointed out that all kinds of savings by individuals last year increased except holdings of municipal and corporate securities which were reduced \$860,000,000. Investment in federal securities which represented

only 1 percent of all individual savings in the last quarter of 1940 rose to 27 percent in the last quarter of 1941.

The government is encouraging all forms of saving as a safeguard against inflation. It would seem that life insurance may not be getting its appropriate share of people's savings. Here is a vast reservoir on which to draw. It should not be overlooked by life insurance producers.

PERSONAL SIDE OF THE BUSINESS

Arthur Ham, former insurance commissioner of Wyoming, is now located at Phoenix, Ariz. His health has been poor and he went to Phoenix because of the salubrious climate. For the past several years Mr. Ham has been located at Denver, representing the Western Conference of Insurance Commissioners, superintending the allocation of marine premiums by states. That connection was terminated in March. He continues to keep in touch with the insurance business and hobnobs frequently with Roy Rummage, Arizona commissioner.

Henry E. McCurry, who operates an inspection company in Detroit, and Mrs. McCurry announce the engagement of their daughter, Mary Jane to Harry B. Black, flying instructor in Ocala, Fla.

Julian V. Boehm, Union Central agent in Atlanta, was elected a member of the executive committee of B'nai B'rith grand lodge at the diamond jubilee convention in Jacksonville, Fla.

J. T. Mayall, former vice-president of American Savings Life of Kansas City, is now operating a hotel at Independence, Kan.

T. A. Sick, vice-president and treasurer of Security Mutual Life of Nebraska, has been a director of the better business bureau of the Lincoln chamber of commerce, representing insurance interest. He succeeds E. J. Faulkner, Woodmen Accident, now in service.

William L. Waltz, manager of the life department of Travelers at Seattle, completed 30 years of service with the company, all of them at the Seattle branch. He has been manager since 1915.

Charles M. Ashton, Jr., supervisor Union Central, Philadelphia, has reported for service as a lieutenant in the naval reserve.

George D. Wood, assistant secretary of Provident Mutual, was awarded the Leffingwell medal by the National Office Management Association at its annual convention in Atlanta. The award is for outstanding achievement in the practical application of office management principles. He has been assistant secretary since 1926 and took active part in personnel work. Mr. Wood has had marked success in this branch. He has been very prominent in office management association work, and is past president of the Philadelphia chapter and of the National association.

Henry M. Powell, general agent of State Mutual Life in Atlanta since 1926, is observing his 21st year in the business. Mr. Powell established a record of writing one or more applications each day for 123 consecutive days, and in

1933 in a drive which honored the State Mutual president, Chandler Bullock, had the biggest single day's business in the agency's history. He spoke at the Boston convention of the National Association of Life Underwriters in 1936. Mr. Powell is vice-president and a director of the State Mutual's General Agents Association, past president Atlanta Association of Life Underwriters and Atlanta Managers Club. He had the largest production in 1941 in the Georgia agency of State Mutual.

Charles G. Taylor, Jr., second vice-president of Metropolitan Life, who has been recuperating at Williamsburg, Va., from an attack of pleurisy, has returned to the home office in New York. He was formerly vice-president and actuary of Atlantic Life of Richmond.

Jay R. Benton, president of Boston Mutual Life, has been elected president of the Phillips Exeter Academy alumni association. He is a 1905 graduate of the academy. He also was elected a director of the Boston chamber of commerce.

Lester Becker, general agent Lincoln National Life and president of the Life Underwriters Association of St. Louis, is recovering at St. Mary's Hospital from an appendectomy. It is expected he will be back on the job soon.

G. Egerton Brown, assistant comptroller of Sun Life, has been elected president of the Montreal chapter of the National Office Management Association.

Ben W. Moehle, special agent New York Life, Milwaukee, has been elected master of the Wisconsin Lodge of Perfection, one of the four coordinate bodies of Scottish Rite Masonry in the Milwaukee area.

Miss Louise M. Newman, personnel director of Northwestern Mutual Life, has been appointed a member of the board to assist in determining the eligibility of candidates for the new women's army auxiliary corps making application in the Milwaukee recruiting station.

Frank R. Maffei of the Pittsburgh agency of Ohio State Life has completed 600 weeks in the App-a-Week Club in spite of illness, which necessitated his making two visits to the Veterans' Hospital.

On June 1, **Roy E. Davis**, assistant general agent in Peoria, Ill., qualified as a 1943 Aetna Life Regionnaire on the first day of the club year by paying for \$200,000 of new business. He received a congratulatory wire from S. T. Whatley, agency vice-president, stating that this was an all-time record.

Newton B. Weese, general agent of



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"They're both important to defense and to me!—I'm making a kind of contest out of it!"

Lincoln National Life for Arkansas, is state chairman of the Boys' State. This is a citizenship training program sponsored by the American Legion, and will be held at the Arkansas School for the Deaf in Little Rock June 6-13.

Kenney E. Williamson of the Reuling & Williamson agency of Massachusetts Mutual Life, Peoria, Ill., has been named a director of the Alumni Association of the University of Illinois, from which he graduated in 1921.

DEATHS

Russell M. Simons, 62, a widely known New York City general agent of Home Life of New York, died at his home in Upper Montclair. His entire life insurance career was with Home Life. He retired in February after 37 years with the company. The agency with which he was a partner from 1926 to 1931 for five consecutive years led all the company's agencies in paid-for

business and was first to write and pay for in excess of a million dollars in business in a single month.

He began as an agent for Home Life in 1905, after eight years' experience in fire insurance. In 1909 he was appointed general agent.

He was born in Bloomfield, N. J., son of the Rev. Ezra D. Simons, Baptist minister, a chaplain in the Civil War and a prominent author and newspaper correspondent. Russell M. was past chairman of the business ethics committee of the New York Life Underwriters Association and past president of Home Life's Agency Association.

M. H. Grossman, 69, one of the pioneers in savings bank life insurance in New York state, died June 6 at his home in New York City. He was senior member of the law firm of House, Grossman, Vorhaus & Hemley. Mr. Grossman was also one of the founders of the Arbitration Society of America, which is now the American Arbitration Association.

Opportunity for State Manager in Ohio

One of the most distinguished and oldest mid-west Life companies (writing complete lines of both annual dividend and non-participating policies) with about \$4,500,000.00 of business concentrated in a few Ohio cities, has an unusual opening for a State Manager.

The Company plans an intensive development of the state, and will offer every cooperation. Individual to qualify must have exceptional agency record, or background of excellent personal sales. Must have no objection to traveling. Salary, bonus, and expenses.

All replies will be held confidential. Our own organization knows of this advertisement.

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SALES TRAINING !

We are very proud of the men and women who represent this company in the field.

Stress has been laid upon the definite policy followed in the development of our field forces. This policy is based on rigid selection and thorough training. It is based also on the belief that the buying public is entitled to and needs now more than ever before, intelligent, well-informed conscientious advice and service in connection with the arrangement of life insurance estates, however small.



The Canada Life

Established 1847

Head Office: Toronto, Canada



OPPORTUNITY

MEN SEEKING A LIBERAL AGENCY CONNECTION OFFERING UNLIMITED OPPORTUNITY☆☆☆ WRITE TO
Commonwealth Life



All letters and interviews will be held strictly confidential.

COMMONWEALTH LIFE'S accelerated Extension Program offers attractive incomes and agency possibilities to men who desire unrestrained selling freedom. Commonwealth Life ranks among America's best rated companies. It offers policies to meet every contingency. Make an appointment by return mail. Our Field Representative will meet you in your city. Address your letter to

A. WALTON LITZ ★ MANAGER OF AGENCIES

MORTON BOYD ★ PRESIDENT

Commonwealth Life
INSURANCE COMPANY
HOME OFFICE ★ LOUISVILLE, KENTUCKY

NEWS OF THE COMPANIES

Monarch Life Elects R. C. Laub as Its Agency Manager

SPRINGFIELD, MASS.—Monarch Life of this city announces that Roswell C. Laub, its general agent for the past 11 years in this city, will become vice-president and agency manager July 1, with full charge of all activities of the agency department. Mr. Laub is considered a high class man, with the resourcefulness and flexibility necessary for the proper direction of agency activities. Serving and working in Springfield he has been closely associated with the officers and department heads.



R. C. Laub

Other Officials Active

J. W. Blunt, vice-president and agency manager, will continue his active service. He has had a long experience in the insurance business, being a former insurance commissioner. His work has brought him in close touch with the accident, health and life business. He has had primary charge of directing the agency work since the first of the year. A. W. Crowell, assistant director of agencies and prior to that agency secretary, has assisted Colonel Blunt in the agency work. He has spent considerable time in the field and at the training schools assisting in the solution of many problems surrounding agency work.

Clyde Gordon succeeded Mr. Crowell as agency secretary and he will continue in that work. He started with the agency department as editor of the "Accelerator."

No Radical Change in Policy

President C. W. Young states there will be no radical changes in the agency policy. Monarch Life, he says, will continue a policy of intensive agency training which will be increasingly effective. As time goes on it hopes to improve its operations in every respect through careful, cooperative study and analysis.

Mr. Laub's Career

After Mr. Laub completed his schooling he was for two years a teacher in a business college. He then went to a large manufacturing concern in Rochester, N. Y., and served there for 14 years in various capacities. In 1928 he joined Monarch Life as general agent in Cleveland and increased production and collections considerably in a three-year period. He was then transferred to Springfield as home office general agent and has built one of the smallest agencies into one of the largest and most successful. He showed his aptitude in constructing a well balanced organization. His agency has been

exceptionally successful in life, accident and health production, conservation work, claim losses and expenses.

He served as president of the Springfield Life Underwriters Association and then became president of the Massachusetts State Life Underwriters Association. He has been on the board of both organizations for a number of years. He has been national committeeman for his district to the National Association of Life Underwriters for eight years and served on five of its committees.

Lincoln Companies Merged

LINCOLN, NEB.—Approval has been given by Insurance Director Frazer to the contract by which the business of Citizens Limited Life of Lincoln is reinsured in Guardian National of Lincoln. Assets equivalent to cash supporting the reserves were transferred, Guardian assuming all liabilities, with no liens. Citizens' business written last year totaled \$218,075, lapses were \$41,000 and at the end of the year it had \$836,835 in force.

Guardian National, of which Frank M. Stapleton is president, is a mutual legal reserve company. It had new business in 1941 of \$382,263 and insurance in force at the end of the year \$1,060,000. The courts here have under consideration an application of Guardian National to take over, with 100 percent lien, the business of National Progressive Life of Omaha.

Eastern Life Anniversary

Eastern Life will observe its 15th anniversary June 14 at a dinner in New York City. Results in 1941 were satisfactory and there is now \$18,000,000 business in force, with new business well ahead of last year. Louis Lipsky, president, will preside at the dinner. Col. F. R. Stoddard, former New York insurance superintendent, Judge J. J. Strahl, first president of Eastern Life; Jacob Ish-Kishor, secretary and comptroller, and Harry Yarin, vice-president and superintendent of agencies, will speak. New one-year and five-year term policies recently were brought out.

West Coast Makes Quota June 1

West Coast Life at the end of the five months has passed the quota of insurance in force set for the year. The original figure set was \$133,500,000. June 1 the total insurance in force had passed \$134,000,000. This includes insurance in force in China and the Philippines at the outbreak of the war, on which there will of necessity be an adjustment "at some future date."

Dr. Gillespie in Charge

Dr. E. S. Gillespie, assistant medical director of Supreme Liberty Life of Chicago, will take charge of the medical department during the absence of Dr. M. O. Bousfield, vice-president and medical director, who is inducted into army service as lieutenant colonel in charge of a hospital in Arizona.

A five-day work week has been adopted by Franklin Life with Saturday eliminated except for a skeleton force.

CHICAGO

STAFFORD HAS MAIL OFFICE

W. N. Stafford, director of field operations of the Columbus Mutual Life in the Chicago district, spends most of his time in the outskirts appointing general agents and establishing connections. However, he is getting his mail at Room 1325, One La Salle Street building, which is the office of the building.

MRS. HERRING'S OFFICE PLANS

The office of the Illinois Insurance Federation, the Illinois Association of Insurance Agents and the advisory legislative council, over which Mrs. Lillian L. Herring presides, will be moved to 616 Insurance Exchange inasmuch as Homer Gwinn & Co. will add the present office to its quarters. In addition, the office services the Casualty Managers Association, Surety Underwriters Association and the Chicago Association of Insurance Agents. Mrs. Herring directs the activities and detail and has done a magnificent job. She is most capable in her work.

FWOYER AGENCY LEADS AGAIN

For the second time in 1942 the Fowler agency of the New England Mutual in Chicago led the company in paid-for business for the current month. In March and again in May, this agency was first in the ranks of the general agencies. W. M. Bramhall, brokerage manager of the agency, led the company for May in personal production.

SUPERVISORS SCHEDULE OUTING

The Life Agency Supervisors Club of Chicago will hold its annual golf party and outing at the LaGrange Country Club June 19. E. H. Winkel, Travelers, is in charge of reservations.

BIG DRIVE FOR ZIMMERMAN

The full-time agency and brokerage departments of the Charles J. Zimmerman agency of Connecticut Mutual Life in Chicago will launch a month's campaign for new business June 16 in celebration of Mr. Zimmerman's fifth anniversary with the office. The campaign, which is run through July 11, will seek to establish the largest month the company has ever experienced in Chicago.

Plans for the special drive are being made by Henry C. Hunken, general agent and manager of the brokerage department, assisted by David Barnow, supervisor full-time agency organization, and John C. Bick, assistant brokerage manager. Many brokers have volunteered their efforts during the month's drive out of appreciation for the effort Mr. Zimmerman has put forth in Washington in connection with federal tax matters pertaining to life insurance.

In the five years since Mr. Zimmerman took over the old Samuel T. Chase agency, the office has completed 56 plus months out of the 60 that have elapsed. In that time the office has been raised from 45th place in standing among the company's agencies to regular position among the three top ranking offices.

The agency's annual summer outing and sales meeting will be held June 25-26 at Lake Delavan, Wis. P. M. Fraser, executive vice-president, will attend. The sales meeting is scheduled for the first day with the second day given over entirely to sports.

MANAGERS

Plan San Francisco "Play-Day"

The annual "play-day" of the San Francisco General Agents & Managers Association will be held June 19 with Lloyd J. Lynch, John Hancock Mutual Life, recently elected president of the group, as general chairman. T. A. Gallagher, Prudential, is in charge of the golf committee.

Columbus Cashiers' New Officers

Lulu Karrer, Equitable of Iowa, has been installed as president of the Columbus (O.) Life Agency Cashiers Association. Theresa Yankee, Union Central, is vice-president; Dorothea Kuester, Bankers Life, secretary-treasurer.

Discuss Proposed Tax Changes

The Des Moines General Agents & Managers Club held a special meeting to discuss the proposed changing of the \$40,000 life insurance estate tax exemption and the income tax deductions as proposed by congress.

Jack Hilmes, Equitable Life of Iowa, national committeeman, explained the proposals and a committee composed of Claude Fisher, Connecticut Mutual; Mr. Hilmes, A. H. Pickford, Provident Mutual, and W. K. Niemann, general agent, Bankers Life of Iowa, was named to work out the best means of getting the information before policyholders.

Toledo Managers Elect Harris

The Toledo Life Managers Association at its annual meeting elected Dan W. Harris, Lincoln National, president; T. J. Murphy, Metropolitan, vice-president, and E. E. Reid, Acacia Mutual, secretary-treasurer. New trustees are H. P. Gravengaard, New England Mutual; C. D. Heath, National Life &

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Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and salable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

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West Virginia, and Kentucky

GEORGE WASHINGTON LIFE INSURANCE COMPANY

of
CHARLESTON, W. VA.



Accident; Caleb York, Equitable Society; M. C. Trevithick, Prudential, and Messrs. Harris, Murphy and Reid.

ACCIDENT

Provident Life & Accident Has Non-Occupational Form

The Provident Life & Accident is now issuing a non-occupational form, the "acme" disability policy at a fixed premium for all applicants, regardless of occupation. It is written on men 16-49 and women between 16-44, with 35 percent increase for men 50-59 and women 45-54.

Monthly accident and sickness indemnities run from \$40 to \$100 for both men and women, with premiums for men graduated from \$11.60 to \$27.50 annually, and for women from \$15.60 to \$37.50. The principal sum in all cases is \$1,000.00.

A hospital rider is available, paying for 30 days, up to \$4 per day for women and \$5 for men, at \$7.60 annually for both men and women, and also a surgical operations rider providing \$5 to \$100 according to schedule, for \$6 annually.

Reinsurance Problem in War Pool Policy

Those charged with perfecting arrangements for the issuance of a pool accident policy providing benefits for war caused deaths and injuries of civilians have encountered some problems of reinsurance. In the syndicate will be companies that are licensed in some states and not in others. The laws of many states do not permit a company to take credit in its premium reserve for reinsurance ceded to companies not admitted to the state. Hence, unless some special arrangements can be made, there would be some complicated book-keeping involved in putting up reserves, taking into account the requirements of the various states and the variation, state by state, in the number of companies of the pool that are admitted and non-admitted.

Group Figures Segregated

DENVER—One of the proposals of the blanks committee that was adopted by the National Association of Insurance Commissioners is that in the 1942 statement the experience under group accident and health contracts be segregated from that under individual contracts. That was done in recognition of the increasing importance of group accident and health.

Arizona 1941 Record Shown

New life insurance business in Arizona last year amounted to \$37,087,556 of which \$20,918,530 was ordinary, \$8,849,746 group and \$7,319,280 industrial. Insurance in force was \$217,389,807. The net premiums received were \$6,016,270.

The leading companies were Aetna Life, \$326,951 ordinary and \$2,505,200 group; American National, \$869,220 ordinary and \$3,779,047 industrial; Equitable Society, \$1,895,639 ordinary and \$1,998,179 group; Metropolitan, \$24,351 ordinary, \$1,739,700 group and \$13,002 industrial; Minnesota Mutual, \$1,128,091 ordinary and \$564,000 group; Mutual Life, \$1,146,809; New York Life, \$3,953,743; Northwestern Mutual, \$1,186,069 and Washington National, \$203,236 ordinary and \$3,463,462 group.

Aid Texas Slow Speed Drive

DALLAS—Texas insurance companies are helping the state to set the pace for the nation in reducing automobile speed to 40 miles an hour or under. More than 20 Texas life and casualty companies are cooperating by mailing envelope enclosures on the subject to more than 1,000,000 Texas motorists.

NEWS OF LIFE ASSOCIATIONS

G. H. Moore Is Slated for Pittsburgh President

G. Harold Moore, general agent of State Mutual Life, has been nominated for president of the Pittsburgh Life Underwriters Association. The annual meeting and luncheon takes place June 18, the speaker being Dr. Hugh T. Kerr, pastor of the Shadyside Presbyterian Church on "What Investment Have You?"

Named for first vice-president is Edward M. Aiken, agency supervisor Provident Mutual Life; second vice-president, N. H. Weidner, manager Reliance Life, and treasurer, Harold S. Brownlee, general agent Equitable Life of Iowa.

For directors there are nominated R. R. Dodson, General American Life; W. L. McLain, Guardian Life; Fred Brand, Jr., Connecticut Mutual Life; E. L. Sittler, Mutual Life; J. K. Blitz, Connecticut General; L. F. S. Cook, Canada Life; Arthur L. Miller, Phoenix Mutual; V. M. Shewbert, Home Life of New York, and Charles Silver, Metropolitan Life.

Mass. Annual Meeting June 18

The Massachusetts Association of Life Underwriters will hold its annual meeting in Worcester June 18. The nominating committee has selected the following slate of officers: President, George Paul Smith, New York Life, Worcester; vice-president, Fitzhugh Traylor, Equitable Society, Boston; treasurer, Clifford M. Strout, John Hancock, Boston; secretary, William C. Coogan.

Peoria Congress Oct. 24

The annual sales congress of the Peoria Association of Life Underwriters will be held Oct. 24. The fall meeting of the Illinois association will be held in Peoria the day before.

Durham, N. C.—E. J. Daniel was elected president to succeed H. J. Shaw; A. E. Burcham, vice-president, and C. H. Jones, secretary-treasurer.

Greensboro, N. C.—John J. Elchhorn is the new president, succeeding Grover C. Griffin. Frank Andrews and Clifford Barrier were named vice-presidents; Marion Follin, secretary-treasurer, and Alvin T. Haley, national committeeman.

W. W. Hartshorn, Hartford, trustee of the National association and chairman of the executive committee of the General Agents & Managers Section, spoke on "If I Were An Agent Tomorrow, What Would I Do?"

St. Louis Election June 18: Slate Cusick for President

ST. LOUIS—Herbert A. Hedges, general agent of Equitable Life of Iowa in Kansas City and secretary of the National association, will address the Life Underwriters Association of St. Louis June 18 on "Life Insurance and the War Effort."

New officers of the St. Louis association will be voted on at that meeting instead of on the annual boat ride aboard the steamer Admiral, June 12 as heretofore announced. The slate reported by the nominating committee includes: President, W. J. Cusick, New York Life; first vice-president, George H. Means, Metropolitan Life; second vice-president, Don O. Cramer, Prudential; directors, Leo G. Kohl, Northwestern Mutual Life; Harold Hines, Aetna Life; T. E. McCary, Penn Mutual; Fred T. Rench, National Life; of Vermont; R. D. Lowenstein, Massachusetts Mutual; Clint Doyle, Mutual Life, and Mrs. Beckye M. Elkas, Massachusetts Mutual.

Sales of war savings bonds and stamps at the Little White House, sponsored by the St. Louis association, have passed the \$1,400,000 mark.

Van Wert County, O.—Martin W. Feigert, Van Wert, has been elected president, succeeding H. A. Steward; L. J. Guthrie, Delphos, vice-president, and Delmar Cobb, Van Wert, secretary-treasurer. John Lloyd, Delphos, was renamed national committeeman.

Seattle—Paul Cressman, Metropolitan, was elected president at the annual meeting; Peter J. Bullock, Equitable Society, vice-president; Linus Pearson, Northern Life, secretary; Howard Brace, New York Life, treasurer. Directors are Hans Classen, John Hancock; Clifford Morse, Phoenix Mutual; John Metz, Massachusetts Mutual; Herman Malmberg, Reliance Life; Sanford Bernbaum, Penn Mutual; Harry Kreibel, Northwestern National, and Fred J. Broderick, New World Life, past president.

Milwaukee—Fred C. Crowell, Jr., "Insurance Field," will speak June 18 on "The Life Underwriter—1942 Model." The results of the election by mail ballot will be announced.

President Henry Fuller, Sr., is sending a bulletin to members urging immediate action in contacting their Congressmen and Senators and urging their policyholders to do likewise, to retain the \$40,000 life insurance exemption and also to obtain a modest income tax deduction for life insurance premiums.

Boston—Merle G. Summer, New England Mutual Life, chairman of the legislative committee, has sent out through the association bulletins to all life men

New President of Cincinnati Group

W. Thomas Craig, the new president of the Cincinnati Life Underwriters Association, was born in Clinton, Ky., and was graduated from the University of Tennessee in 1926. He is general agent of Aetna Life and has spent his entire insurance career with that company. After going through the home office group training school in 1927, he spent a few weeks in the Atlanta agency before joining the Gordon H. Campbell agency at Little Rock. In 1933 he became manager of the group department in Chicago and 18 months later group supervisor of the midwestern department. In September, 1937, Mr. Craig went to Boston as assistant general agent and moved to Cincinnati as general agent Jan. 1, 1940.



W. T. Craig

He is a member of the executive committee of the life underwriters of Cincinnati who are active in working on the payroll allotment plan for the sale of war savings bonds. He has handled the training of all the Cincinnati men doing this work and has also conducted meetings before representatives of some 1,400 Cincinnati firms, instructing these men on the best methods of handling the payroll allotment plan in their organization.

in the state, calling attention to the proposed changes in the federal law affecting the \$40,000 exemption on life insurance and asking them to appeal to their congressmen and senators to vote to maintain the present law.

Topeka, Kan.—Warren V. Woody, manager of Equitable Society, Chicago, will speak June 12. Mr. Woody is a former Kansan and began his insurance career in Kansas.

Cleveland—Mrs. Agnes Lucas, Equitable Society, has been named chairman of the women's division, succeeding Miss Edna Mason, National Life of Vermont. Mrs. Lottie Schmith, Pacific Mutual Life, is vice-chairman, and Miss Marie Hearn, Lincoln National Life, secretary-treasurer.

Columbus, O.—A payroll allotment meeting was held Monday evening. J. W. Ray, Travelers, is chairman of that division.

St. Paul—New officers are M. N. Meyer, Guardian Life, president; Donald O. McLeran, New England Mutual Life, vice-president; Hugo H. Schulz, Bankers Life,

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NEVER was the work of the Life Insurance representative of more importance to the community than it is today.

The security which he offers helps counteract the effect of worry and uncertainty. Every new life he insures helps the national economy in time of need and builds towards a stable and normal future.

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(Including Deferred Annuities)

ASSETS, 205 MILLION I C I I A F S

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1867

secretary-treasurer (reelected). Directors are H. J. Wise, Prudential; L. V. Asbury, Aetna Life; C. R. Jones, Massachusetts Mutual, and N. F. Winter, Minnesota Mutual Life. Herman Rampmeier continues as national committeeman.

Daniel Mason, field instructor of Equitable Society, talked on the courage of the life underwriter. There was a discussion of the \$40,000 exemption from inheritance taxes and on proposals to allow income tax reductions on life insurance premiums.

Following a policy adopted a year or two ago, the association this week ran a display advertisement in local papers, giving the names of all its members.

Manitowoc, Wis.—Edward J. Mau, Travelers, has been elected president to succeed Irwin Dalton, Aetna Life; Walter Dreger, Wisconsin Life, vice-president; Robert E. Lindwall, Lincoln National, secretary, and Louis J. Lensmeyer, Mutual Trust Life, treasurer.

New Bedford, Mass.—New officers are: President, W. Russell Porter, Phoenix Mutual; vice-president, Thomas Moriarty, Metropolitan Life; secretary, Moratio Boardman; treasurer, Harold J. Clasky, Prudential.

Tennessee—James E. Fly, Reliance Life, Nashville, president, has appointed D. B. Thigpen, Life & Casualty, Nashville, as secretary. Although officers were elected at the time of National association mid-year meeting in Memphis in March, they do not take office until July 1.

Lansing, Mich.—Lester C. Peters, manager for Metropolitan Life, has been elected president succeeding Cleo E. Baker, Canada Life. Other officers are: Vice-president, S. S. Spurrell, Columbus Mutual Life; secretary, F. A. McCartney, Equitable Society; treasurer, Howard Root, Reliance Life, and Melvin Brown, New York Life.

San Francisco—William H. Brock, Jr., manager Union Central Life, president, and other new officers were installed at a luncheon meeting. Gerald F. McKenna, manager Continental Assurance, retiring president, was presented with the association's past president's certificate by H. Kenneth Cassidy, general agent Pacific Mutual. Dr. Chauncey Leake, Irwin Memorial Blood Bank commissioner, spoke.

NEW YORK

EXECUTIVE COMMITTEE NAMED

The directors of the Insurance Society of New York have elected the following executive committee: W. A. Riorden, assistant general manager Aetna Life group and newly elected president of the society, chairman ex-officio; D. C. Beebe, president United States Aviation Underwriters; John J. King, president Hooper-Holmes Bureau; E. R. Hardy, secretary Insurance Society, and A. G. Borden, second vice-president Equitable Society.

Red Cross certificates to some 450 persons who passed the 20 elementary courses and four advanced courses given under the society's auspices will be presented June 17 at the Chamber of Commerce building, New York City. Mr. Riorden will make the presentation and there will be a talk by Frank Keeler of the Red Cross headquarters in New York City. He will discuss the possibility of forming detachment units under the auspices of the Red Cross and the Insurance Society.

NO CHANGE IN ATTITUDE

A rumor that there has been a change in the life companies' attitude in regard to the private placement of bond issues is entirely erroneous. At the request of Superintendent Pink of New York, some conferences have been held on the subject and all of the angles discussed, but no agreement has been made with investment bankers.

It is observed that the ratio of total corporate private financing to total financing in the period 1934 through 1940 is only 11 percent and the ratio of total corporate private financing to total corporate financing is 20 percent. There were 217 transactions involving private placements in the period 1934-1941. The

Name McTaggart to St. Louis Post; Jolly to Denver

A number of important transfers and a promotion among field managers have been made by Prudential, effective July 1.

Glen A. McTaggart, manager of the ordinary agency at Denver, is being transferred to St. Louis, succeeding Walter S. Payne. Mr. Payne goes to the Los Angeles "A" office.

Manager Charles D. Jolly, who has been in charge of the Oklahoma agency at Oklahoma City, has been shifted to succeed Mr. McTaggart at Denver. The Oklahoma City ordinary agency will be under the supervision of Ralph H. Rice, Jr., who is promoted from assistant manager of the Kansas City agency.

W. S. Payne's Career

Mr. Payne has been in charge at St. Louis four years. He served as a special agent in Salt Lake City from 1922 to 1924, when he became an assistant manager. He was manager of the Salt Lake City agency from 1930 until his transfer to St. Louis in 1938.

Mr. McTaggart's association with Prudential began when he was placed in charge of the life insurance department of the Hawaiian Trust Company in 1920. He served there until 1928, when he was named manager at Denver.

McTaggart Is Candidate for Trustee

Mr. McTaggart is well known in affairs of the National Association of Life Underwriters, having attended the yearly conventions and mid-year meetings for several years. He is being sponsored by the Denver and Colorado associations for election as a trustee at the Minneapolis convention in August.

The Denver agency supervises Colorado, Wyoming, New Mexico and Arizona and has assistant managers and detached officers in Cheyenne, Albuquerque and Phoenix.

Mr. Jolly joined Prudential in 1913 as an agent at Denver, becoming assistant manager in 1929, and manager of the Oklahoma agency in 1938.

Mr. Rice began with Prudential at Kansas City in 1937 and was promoted to assistant manager in 1939. He has been unusually successful in both personal production and managerial activities.

Cunningham in Sacramento Post

W. L. Cunningham has been appointed manager in Sacramento, Cal., by Acacia Mutual Life. He succeeds Victor Foos, who resigned to give his attention to personal production. Mr. Cunningham was formerly with California-Western States life in Sacramento. The

ratios take into account not only the participation of the life companies, but also that of banks, investment houses, trusts and other like organizations.

Mr. Pink states that the conferences that have been held were not intended to produce an agreement but merely to bring about a more fair distribution of securities. There has already been improvement, he states. What is wanted is a real effort to satisfy the requirements of all investors, small life companies as well as large, rather than having an entire issued swallowed up by a few mouths at the head of the table.

LIFE AGENCY CHANGES

appointment was arranged by Leland O. Nashem, assistant to the field vice-president.

Brownell Is Manufacturers Life's Pittsburgh Manager

John E. Brownell has been appointed by Manufacturers Life as manager of its Pittsburgh branch, succeeding William M. Milligan, recently transferred to Detroit as manager.

A graduate of Dartmouth, Mr. Brownell entered life insurance with Massachusetts Mutual in 1932, following several years of experience in the investment business and in retail merchandising. In 1935 he joined Prudential, becoming an assistant manager of the Pittsburgh branch two years later. In this capacity he achieved marked success in recruiting and training new representatives. He has had considerable success as a personal producer of business characterized by high quality and good persistency. He has been active in the Pittsburgh Life Underwriters Association and is a C. L. U.

Sanders Made Columbus Manager

E. A. Sanders has been appointed Columbus, O., manager of Fidelity Mutual Life. He has been in life insurance work in Columbus six years.

Name Humphrey at Abilene, Tex.

Millard Humphrey has been appointed general agent of Minnesota Mutual Life at Abilene, Tex. Recently he has been in the life business in New Mexico and Arizona.

John W. Knorr, formerly general agent of the Connecticut Mutual Life for 16 years, resigning recently to devote all of his time to personal production, has joined the expanded life department of the Loos Insurance Agency, Fort Wayne, Ind.

Sun Life of Canada has declared a dividend of \$3.25 per share for the quarter ending June 30, payable July 1 to shareholders of record June 15.

Lowrey and Wonderlic to New Mutual Life Posts



P. H. Lowrey



R. C. Wonderlic

Perrin H. Lowrey, manager of the Baltimore office of Mutual Life of New York, is now assuming his new duties as manager of that company in Memphis. Russell C. Wonderlic, agency organizer at Buffalo, succeeds Mr. Lowrey at Baltimore. Mr. Lowrey is a past president of the Baltimore Life Underwriters Association and of the Maryland and District of Columbia Congress of Life Underwriters. Mr. Wonderlic has been with the company since 1933, as agency organizer at Buffalo since 1935.

SALES MEETS

Connecticut Mutual Plans Series of Conferences

As a partial offset to the discontinuance of regional conventions, Connecticut Mutual Life is planning to bring two-day meetings to the agencies rather than bringing the agencies to the meetings. According to Vincent B. Coffin, vice-president and superintendent of agencies, there will be approximately 65 such meetings during June and July. For the most part these meetings will be held in the general agency city or at some near-by point. In some cases agencies which are located fairly close together will hold combined meetings at a central site. The meetings are being planned by the general agents and in most cases will be built around a two-day program of business sessions and an agency outing. A member of the home office agency department will be present at each meeting, and in this way every agency in the company will be visited by a home office man during the two months period.

Pacific National Holds Wyoming Conference

CHEYENNE, WYO. — A one-day sales meeting of the J. Milton Olsen general agency of Pacific National Life in eastern Wyoming was held at Cheyenne.

Home office officials in attendance were Carl R. Marcusen, president; Ray H. Peterson, office manager; E. H. Ganette, auditor, Dr. Wm. T. Ward, medical director.

Mr. Olsen, state manager, is president Cheyenne Life Underwriters Association and has held a leading place in Pacific National since he opened the state in 1932. Under his direction Pacific National finished third in production among all companies in the state for 1941.

Fifty agents and guests attended the luncheon. Mr. Olsen presided and introduced Mr. Marcusen. Among the prominent guest speakers were W. S. Jack, state auditor; Rodney Barrus, assistant secretary of state; A. E. Wilde, state administrator; Karl Winchell, Louis Clut and Frank W. Bland, THE NATIONAL UNDERWRITER.

Franklin Life Holds Mo. Parley

Members of the Cowden and Wisconsin agencies of Franklin Life in Missouri attended a meeting at Osage Beach, Lake of the Ozarks, following a 3-month production campaign. The meeting was conducted by J. V. Whaley, director of agencies, and F. J. O'Brien, director of sales promotion.

Kansas agents of Mutual Life attended an agency meeting in Wichita under the direction of Percy G. Gibson, Kansas manager, to hear Julian S. Myrick, second vice-president, and Leigh Cruess, vice-president and manager of selection.

Canadians Vanquish U. S. Units

The Canadian organization was the winner in the international challenge contest in Great-West Life between the Canadian and American branches. The contest was arranged on a handicap basis. The insurance applied for during the month was the largest of any month this year. In the United States the Earl M. Schwemm agency of Chicago was the leader in volume and Detroit had the highest percentage of quota. R. C. Frasier of Chicago was the leading individual producer for the entire company.

Home office employees of Minnesota Mutual Life will have their annual picnic and summer party at the Lafayette club, Lake Minnetonka, June 24.

Latest Policy Changes

By JOHN H. RADER

Capitol Life Goes on 3% Basis; Makes Changes in Policy Forms and Rules

A new rate manual of Capitol Life of Denver goes into effect July 1. The new rates are on a 3 percent basis. At the same time a number of changes in policy forms and provisions are made.

The premium deposit fund provision will be added to new policies by rider upon request only. The maximum deposit accumulation allowed under the new provision is that amount sufficient to mature the policy as a 20 year endowment instead of as heretofore a 10 year endowment. The interest rate guaranteed is 3 percent if deposits are used to pay premiums or loan interest, to make the policy paid up or to mature the policy as a 20 year endowment. The deposits are not withdrawable but will be applied to pay premiums and loan interest or to make the policy a paid up contract, to mature the policy as a 20 year endowment paid in cash to the beneficiary at the death of the insured or to the insured upon the surrender of the policy for cash. Only those premiums will be written into the policies that equal or exceed \$5 and the assured can pay premiums only according to those modes of payment on which premiums are quoted. The interest on policy loans has been reduced from 6 percent to 3 percent.

Forms Being Replaced

The whole life and 20 payment life forms will no longer be issued but instead there will be issued ordinary life endowment at age 85 and 20 payment endowment age 85 in amounts of \$1,000 or more and the preferred risk ordinary life and preferred risk 20 payment life in amounts of \$2,500 or more.

The life income endowment forms now provide for face amount of insurance of \$1,200 with each unit of income. The rates and values are the same for both male and female except that at maturity the unit of income for male risks is \$100 per month whereas the income for female risks is reduced for the same maturity values according to the form issued. A new feature of these policies will be a paid up life nonforfeiture option.

The life paid up at age 60 policy form will no longer be issued but in lieu a life paid up at age 65 form will be available.

The premium insurance benefit in connection with juvenile policies provides for waiver of premium in the event of death or disability of the original owner until the child attains the age of 21.

The interest rate in connection with options 1, 2, 4 is 3 percent and in connection with option 3 it is 2½ percent. Installment payments in specified amounts are specifically provided for by being included in the new forms under option 4.

Occidental, Cal., Brings Out Full Coverage Form

LOS ANGELES—Occidental Life of California has brought out an all coverage policy combining life and accident and health. The primary purpose is an overall reduction in cost and to provide against the hazards of death, disability, business reverses and unemployment, and age.

Any life plan can be used and any one of three specially-adapted accident or accident and health plans, with the provision that accident and health coverage can remain in force only as long as the life coverage, unless terminated earlier by stipulated age limits. The minimum life coverage is \$1,000.

Age limits are 16-55, except in especially hazardous occupations. Accident benefits are renewable to age 70 for men, 65 for women; sickness bene-

fits renewable to age 65 for men, 60 for women.

Premium waiver and double indemnity can be attached. Accidental death benefits are attached to the life portion of the plan, which makes them non-cancellable and incontestable. Five units of accidental death may be issued with each unit of natural death up to \$10,000, after which the customary one for one ratio of double indemnity is resumed. There is no exclusion for diseases not common to both sexes.

The three basic accident or accident and health plans which can be used are: accident only benefits, with benefits from first day for life; accident and sickness, sickness benefits payable from eighth day, non-house-confining, full benefits payable for 12 months in any one period of sickness; accident and sickness benefits—first-day cover for sickness with accident coverage from first day for life, and paying 12 months for confining sickness, three months for non-confining. Hospital, nurse and surgical fee schedules are not limited by amount of monthly income purchased.

War Clause Again Revised

Kentucky Home Mutual Life has made still another change in its war clause. There is excluded death while the insured is in the military, naval or air service of any country at war, occurring outside of the "home areas," which are defined as the United States, District of Columbia, Canada and any point at sea within three miles of such land. It has also excluded death within two years after termination of military service on account of any injury or disease contracted while the insured was in the service outside of the home areas. There is also excluded death within two years from date of issue of the policy caused by any injury or disease contracted while the insured was engaged outside of the home areas in any non-combatant auxiliary. The aviation exclusion is for death in connection with aviation training or military or naval aviation within or without the home area.

Move to Disallow Interest Deduction

(CONTINUED FROM PAGE 2)

as it will be presented to the House by the ways and means committee will differ from the tentative basis just agreed upon by the committee, particularly to the extent that it differs from the statements of Randolph Paul, Treasury tax adviser. Mr. Goldstein pointed out that, for example, there is no mention of a vesting clause or of the granting of a deferment of the income tax to any employee on any pensions in excess of \$7,500 a year resulting from the employer's contributions.

The suggestion that the amount of the employer's contributions going toward the purchase of a pension of more than \$7,500 a year should be regarded as deferred income was made as an alternative to the Treasury's original proposal for denying the tax advantage to all plans involving a payment of more than \$7,500 for any employee.

The proposal agreed upon by the ways and means committee is designed pri-

marily to see that plans enjoying the tax advantage are spread over a reasonably large percentage of the employees and that the plans do not discriminate in favor of the higher paid or stock-holding employees as against the lower paid or non-stock holding employees. Under the committee proposal the plan must cover at least 70 percent of all employees with five years of service except casual part-time and seasonal employees or else employees qualifying under a classification found by the commissioner of internal revenue not to be based upon favoritism toward officers and stockholders. This latter provision would make it possible for plans that really supplement the social security program to qualify.

Since even such extended coverage would not by itself guarantee that the pension plan would be operated for the welfare of the employees generally, since the scale of benefits could still be manipulated, the scale of benefits must be non-discriminatory, not favoring high salaried employees at the expense of the lower paid employees. However, benefits payable according to a fixed percentage of wages would not be considered discriminatory even though this resulted in larger benefits to highly paid employees, though the use of one scale for officials and a less generous scale for the other employees would be held discriminatory.

Subcommittees of the American Life Convention and Life Presidents Association committees on federal taxation met Tuesday with Treasury officials and came to an agreement with them on certain modifications of the original Treasury proposals for changing the income tax basis of life companies. It is believed these modifications will be satisfactory to virtually all companies.

The modifications agreed on will produce the same revenue to the government as the original Treasury proposals but distribution of the tax as between companies will be different—materially so in some cases, particularly where companies felt that the original proposal would have been unduly burdensome.

Movement for War Clause Uniformity

(CONTINUED FROM PAGE 1)

whether it is that the companies, by reason of competition, are unable to agree on a war clause and desire to have the commissioners take a hand or whether they hesitate to get together because of fear of the anti-trust statute.

Mr. Moyer said all companies feel that uniformity is desirable, but such has been difficult because of differences in state laws. Now that the New York law has been amended, there is a better opportunity to act.

Fischer of Iowa said he felt the commissioners need not enter into this "competitive" field; that is a company problem. Kavanaugh of Colorado concurred in that view.

R. L. Hogg of the Life Presidents Association was asked to make comment on the reinstatement question. He said none of the responsible companies desire to take advantage of technicalities to impose war clauses. Some commissioners, he said, have issued rulings that in reinstatement the only test that a company may apply is that of health. Such rulings are designed to prevent companies from acting unconscionably, but in so doing they make it possible for persons to treat the companies unconscionably. For instance, a man now

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MONUMENTAL LIFE INSURANCE COMPANY

Home Office—Baltimore, Md.

in the army, went into a life company, proffering \$6,000 in premiums in arrears and seeking to reinstate a \$25,000 policy that lapsed in 1930.

T. J. Cullen of the New York department said uniformity of war clauses is not desired merely for the sake of uniformity but the consequences are important. A company that decides to be liberal may be actuated by competitive motives or because statistically it is convinced the experience will be all right. But their statistical conclusions may prove unsound because by reason of their liberality they may attract an undue proportion of risks affected by a war hazard.

Harrington of Massachusetts read and endorsed a statement by President Montgomery of Acacia Mutual Life advocating eliminating the war clause except for the aviation exclusion and refraining from selling insurance to soldiers until they had purchased their limit of National Service Life Insurance.

At the instance of Mr. Kavanaugh the committee voted to recommend that the association adopt a resolution memorializing Congress to retain the present exemption from inheritance tax of \$40,000 life insurance proceeds.

Medical Directors Name Dr. Dickson

(CONTINUED FROM PAGE 3)

"A circumstance such as this leads management to weigh every operating factor of the business. If you have followed the insurance journals, you have noted the consideration which has been given in recent years to the problem of compensating the agents. Are these costs too high in the light of existing margins? What changes can be made to reduce them and to build a more permanent agency organization? You have noted the consideration which has been given to the question of non-forfeiture values and a new valuation standard. All of these things crop up because the operating margins of business are being troweled out rather thin. And so mortality will come in for careful analysis and it will be necessary for you to be more alert in your classification of risks to see that the mortality which is experienced is within the mortality limits assumed in your premium calculations. In other words, management will require from you more exact results in the future than you have been accustomed to look for in the past."

Colonel Robbins Comments

Col. C. B. Robbins, A. C. L. manager and general counsel, also extended greetings. He touched on the war and its medical problems, recalling that wars always have produced new situations for medical science to overcome. The sulfa drugs, he said, will be a decided factor in the saving of human life in the war.

Greetings from the Medical Directors Association were given by Dr. D. E. W. Weststrand, medical director Northwestern Mutual, president. The war situation may force postponement of the annual meeting of this organization scheduled for next winter, he said.

Dr. Dickson paid tribute to Dr. Blackford, and at his suggestion those in attendance stood in silent prayer to his memory.

"When we met last year, our country was faced with a threat of war," Dr. Dickson said in his annual address. "The threat has now become a reality and many problems which we hoped we might avoid must now be faced and solved."

"Costs of doing business have increased and may increase even more. Returns on investments continue to show a downward trend. Maintenance of a satisfactory mortality experience becomes increasingly important."

Agency Force Disturbed

"At the same time, our agency force is greatly disturbed. Thousands of the best prospects they ever had have entered medical service and are no longer

on their active list. Our agents must seek business in other quarters and must sell it in the face of increased cost of living and constant solicitation for contributions to many and worthy causes.

"The entry into military or naval service of thousands of physicians complicates the problem of examinations. Even those physicians who are left are becoming so busy that it is increasingly difficult for them, even though interested, to find time to make examinations for life insurance."

"All this imposes a particularly urgent duty upon the medical director that he do everything possible to accept every case which, in his judgment, is entitled to a policy of some sort."

"It is our duty to extend to every possible applicant the benefits of life insurance. It is also our duty to accept only such business as will produce a proper mortality experience. Consequently, we must seek earnestly to find that middle ground which lies between over-liberality and over-conservatism."

Dr. P. M. Long, professor of preventive medicine and director department of preventive medicine Johns Hopkins, Baltimore, was unable to attend and his paper on "The importance of sulfanilamide therapy on the future underwriting of risks" was read by Dr. D. B. Cragin, medical director Aetna Life.

PICKING EXAMINERS

Dr. E. G. Dewis, associate medical director of Prudential, gave a talk on the field examiner's association with the medical director.

In selecting examining physicians, Prudential, he said, subdivides its territory geographically and places the entire supervision of the examining personnel in each subdivision in the hands of a medical officer. Such officer by constant supervision and periodic visits to the larger places acquires considerable first-hand information regarding qualifications of examiners and gets information concerning doctors who may be available for appointment should the need arise.

Also there is a staff of lay inspectors devoting their entire time to visiting examiners and they perform an indispensable service. Prudential frequently makes a selection of an examiner based on a recommendation from one of its medical referees, from another examining physician or through direct application.

Ideal Medical Examiner

Prudential prefers a physician under 40 years of age, graduate of a first class medical college who has completed a satisfactory internship, and is either in general practice or is specializing in internal medicine. Prudential also desires that he be a member of the local medical society and that he have a favorable standing in his community.

In smaller towns and rural communities the choice is likely to be somewhat limited.

In investigating the qualifications and character of the applicant or the man under consideration his work for other life insurance companies is studied, reports of other physicians that are given for reference are used and facts are elicited by inquiries through other examiners and reports from a credit rating agency.

While it is often necessary to correct errors of omission on the part of examiners it is equally important to praise them for work well done, he said.

Results in Golf Tournament

The golf tournament was held on the course of the Broadmoor, convention headquarters.

Dr. H. H. Shook, Ohio National, won low net prize among the doctors; David Meacham, Hooper-Holmes Bureau, Chicago, open low gross; low net on par 3 holes, Dr. E. B. Mountain, American Mutual Life; least number of putts, Dr. Byrd; blind bogey first day, Dr. G. G. Stebbins, Wisconsin Life; blind bogey second day, Lee N. Parker, president

of American Service Bureau of Chicago.

Winners in the women's bridge games included Mrs. James H. Ready, St. Louis; Mrs. H. E. Flansburg, Lincoln, Neb.; Mrs. J. L. Evans, Wichita; Mrs. W. Lee Baldwin, Denver, and Mrs. P. A. Anderson, Rockford, Ill. The prizes were defense stamps.

Hobbs for \$15 for Examiners

(CONTINUED FROM PAGE 6)

ered in the examination, the examination is worthless, he declared.

In the interest of conserving paper and due to the problems of inexperienced help, Mr. Hobbs suggested that the companies call a halt for the time being on new policy forms and endorsements. During the past 60 days he said that more than 400 new policy forms and endorsements have been submitted to his department. Much paper could be saved by refraining from coming out with new forms.

New Type of Formula for Valuation of Bonds

(CONTINUED FROM PAGE 3)

in this book, the amortized values should be entered in the market value column of Schedule D, Part 1 as well as in the amortized value column.

6. That when a bond is indicated as not amortizable, the value shown in the book should be entered in Schedule D, Part 1, Column 16 unless that value is in excess of the amortized value, in which case the latter should be entered.

Valuation in Aggregate

7. That stocks held by life insurance companies may be valued in the aggregate at the cost or book value, whichever is lower, provided the income received by such companies on such stocks in the aggregate, during each of the five years preceding the date of valuation, shall have been at a rate sufficient to meet the interest required to maintain policy reserves and other policy obligations, and provided further that the net investment income received by such companies on their ledger assets shall not have been less than required to maintain the reserve. Cost as used shall be held to include stocks received as exchanges or rights received as dividends or otherwise at not to exceed the market value quoted on the date acquired. This shall not apply to stocks of corporations in receivership or similar status or to stocks acquired after June 30, 1939, which shall be carried at the values shown in the valuation book.

Resolved, that, for submission of annual statements to the various state insurance departments as of Dec. 31, 1942, bonds not in default as to principal or interest, which are certified by the insurer submitting the statements to be amply secured, shall be deemed amply secured provided they are not income or perpetual bonds and provided they are included in any one of the four classifications described below:

Federal Issues

1. All bonds issued, assumed or guaranteed by the United States or Canada and all bonds secured by the full faith, credit and taxing power of political subdivisions of the United States and of political subdivisions of Canada, which are legal for investment by insurance companies under the laws of the respective states.

2. All corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing which on June 1, 1942, were rated Baa or were of equivalent quality.

3. All corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing on which the yields to maturities based on Dec. 1, 1941 and on Dec. 1, 1942 association values do not, in either case, exceed 3.90 percent plus the yield for comparable maturities of fully taxable U. S. government treasury obligations at the respective dates. Bonds which were not outstanding on Dec. 1, 1941, shall be deemed amply secured if the yield to maturity based on Dec. 1, 1942, association values does not

exceed 3.90 percent plus the yield for comparable maturities of fully taxable U. S. government treasury obligations.

Making Data Available

4. Any bond issued by the same corporation and other corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing which, in the judgment of the subcommittee of the committee on valuation of securities are equivalent in security to those bonds hereinbefore described, provided that satisfactory evidence thereof is either already available or is made available by insurance companies, societies and associations to the subcommittee on or before Sept. 1, 1942, and approved by it.

5. Bonds in default as to principal or interest and all corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing not meeting the tests described under classification No. 2, 3 or 4 of this resolution and all income and perpetual bonds shall be deemed not eligible for amortization, and shall be carried in Schedule D, Part 1, Column 16—"Amortized or Investment Value December 31, of the Current Year" and reflected in the admitted assets at the association values as shown in the book "Valuation of Securities" published under the auspices of the National Association of Insurance Commissioners.

Resolved, that, the book on valuations of securities to be published under the auspices of the National Association of Insurance Commissioners in January, 1942 shall be prepared in accordance with the foregoing resolutions and contain a notation against each bond to indicate whether it is or is not amortizable.

Resolved, that, the rate of exchange promulgated by the Canadian Foreign Exchange Control should be used for the Canadian rate of exchange for the Dec. 31, 1942 statement.

Resolved, that, in order to meet any unforeseen conditions which may arise, this committee shall have full power to amend the resolutions regarding market and amortized values which have been adopted at this meeting. Such amendments shall become effective immediately upon their approval by the executive committee of the association.

Resolved, that, in cases where the condition of insurance companies, societies and associations may require the immediate disposition of securities, it is recommended that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges.

Yates Agency Has Conferences

LOS ANGELES—H. H. Irwin, educational director, and L. M. Huppeler, assistant director of agencies of Massachusetts Mutual, spent last week in California holding business conferences with the Los Angeles and San Francisco offices of John W. Yates, state agent. Mr. Irwin conducted production clinics and Mr. Huppeler spoke on pension trusts and the company's personal surety plan.

Iverson Minn. Federation Head

Lloyd H. Iverson, local agent, Montevideo, was elected president at the annual meeting of the Insurance Federation of Minnesota in Minneapolis. E. A. Roberts, vice-president Minnesota Mutual Life, was reelected vice-president and George W. Wells, Jr., Northwestern National Life, continues as legislative chairman.

At the suggestion of Arthur Devine, Prudential, St. Paul, the federation went on record urging congress to make life insurance premiums deductible from income taxes.

"Barron's" Has Good Analysis

NEW YORK—The current article in "Barron's" insurance series is an intelligent analysis of insurance needs. While social security benefits are dismissed in a rather offhand manner, the article is in the main soundly based, without the term insurance bias and other pet predilections of the author, who is an insurance consultant, that have marked many of the articles in the series.

LEGAL RESERVE FRATERALS

Fraternal Actuaries Meet in Chicago

A precedent which probably will be followed hereafter by the Fraternal Actuarial Association was the midyear meeting in Chicago the day before the American Institute of Actuaries gathering. The interests of the two organizations are closely allied and members of the two groups mingled. A number of fraternal societies were admitted as contributing members of the Institute, among which are Maccabees, Modern Woodmen, Woodmen of the World, Royal Neighbors and Aid Association for Lutherans.

Quite a number of the fraternal actuaries stayed over to attend the Institute meeting.

R. A. Anderson, Protected Home Circle, read a very scholarly paper on the "Distribution of Surplus by Fraternal Societies." G. S. Ling, Royal Neighbors, presented a paper on "The Practical Application of Punch Cards to the Payment of Dividends." He gave a practical method of making use of the Hollerith system of punch cards in payment of dividends. L. M. Rosholt, assistant actuary Aid Association, spoke on "Streamlined By-Laws for Fraternal Benefit Societies." He brought out the trend among societies toward eliminating many details from by-laws. It was said this was brought about principally by the fact that societies were forced to change from a 4 percent to a 3 percent basis, which made the by-laws applying to the old 4 percent certificates no longer applicable to the 3 percent certificates. Without the simplification, it becomes necessary to have a complete set of bylaws affecting each separate edition of certificates, and this means duplication. It is becoming increasingly evident that it is wise and desirable to let each fraternal certificate stand on its own provisions and not rely so much on the by-laws as they have in the past.

Lane Discusses Formula

The paper presented by Ralph Lane, statistician of Flitcraft, on "A Workable Hyperbolic Formula for Cash Values," was scholarly. The paper that was originally scheduled to be given by Joe McCormick, chief actuary Wisconsin insurance department, was cancelled and there was substituted a paper on "Using the Attained Age Method of Valuation of Settlement Options," by Ingolf Lee, Lutheran Brotherhood.

Several new members were admitted. J. D. Reeder, Aid Association, presided. It was decided to hold the annual meeting Sept. 22 at the Edgewater Beach hotel, Chicago, in conjunction with the National Fraternal Congress convention. President Reeder noted problems facing fraternal societies including possibility of increased mortality due to war, lower interest rates and increased operating costs. He said the necessity of providing liquid funds to meet future demands for cash values should be seriously considered.

There was some discussion of societies' practices respecting attachment of war clauses on reinstatements. It was said in general it is the practice of societies not to attach war clauses in such cases.

Mr. Reeder briefly discussed the gain and loss exhibit and its possible use by fraternal societies, particularly in lieu of the present valuation form.

Daly Stresses Usefulness of Societies' Magazines

Monthly publications of fraternal societies can render a great service to members and the nation in these times by carrying interesting, morale building information about the societies and the important functions which the life insurance protection is carrying out in war times, James G. Daly, editor "The Sam-

ple Case," of the Order of United Commercial Travelers, Columbus, O., declared in an article distributed by the National Fraternal Congress.

The society magazine is the only actual contact the society has with the individual member, he commented. The monthly magazine should be alive, vital, and not a mere apologetic gesture thrown at the membership as a medium for carrying occasional reports. The magazine's usefulness rests not so much in the editor's hands as in those of the governing committee. They should back the magazine enthusiastically, and not lightly.

"We have given the fraternal magazines a lot of study and asked a lot of questions of the editors, and it is our considered opinion that before any campaign can be conducted by them they must be made more attractive both as to typography and material," he commented. "The magazine can be made into the most welcome visitor to the home. It can and should be the inspiration for better lives and the constant advocate of the principles of your society."

Probably the greatest thing a society magazine could do now would be to tell the society's actual history, followed by stories of the lives of the present day leaders. Then might be told what the society has done and is doing, and a report on the management and record of growth, progress of various projects, etc.

Modern Woodmen Conference

Robert H. Talbot, director, and State Manager W. H. Carson, of Modern Woodmen in Nebraska, held a meeting Monday with 15 district agents working in the Lincoln area. Mr. Carson said with five large defense plants located in the state and in operation during the next year the field offers an unusual opportunity to increase business of the society, due to total earnings larger than in any year during the past. A state campaign was mapped.

Guertin Group's Final Proposal

(CONTINUED FROM PAGE 1)

come effective unless the assured elects another available option not later than 60 days after the due date of the premium in default.

Then there is provision that on policies paid up by reason of operation of a non-forfeiture benefit which became effective not earlier than the third policy anniversary in the case of ordinary insurance or the fifth anniversary in the case of industrial insurance there must be paid a cash surrender value.

The policy must provide a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid up non-forfeiture benefits and a table showing the cash value and paid up benefits on each policy anniversary either during the first 20 policy years or during the term of the policy whichever is shorter. These showings must be calculated on the assumption that there are no dividends or paid up additions credited to the policy and that there is no indebtedness to the company on the policy.

For Subsequent Anniversaries

Then the policy must contain a statement of the methods used in calculating the cash value and the paid up benefits on any policy anniversary (meaning anniversaries beyond those shown in the table) with an explanation of the manner in which those values and benefits are altered by the existence of any paid up additions or any indebtedness to the company.

The company is given the right to defer the payment of any cash value

for a period of six months after demand.

Then there is a provision that the cash surrender value shall be an amount that is not in excess of a specially defined reserve. In determining that reserve, the premium that enters into its calculation is set forth, this being in the nature of a modified preliminary term formula. The proposed method of expressing the minimum surrender charge will produce results that are fairly equivalent to the actual practices of most companies today. In most states the minimum surrender charge provided by law is the reserve less \$25, but most companies provide surrender benefits in excess of the minimum.

ONLY ONE TABLE

The proposed law provides that all adjusted premiums and present values referred to shall be calculated on the basis of the commissioners 1941 standard ordinary mortality table for ordinary insurance and the 1941 standard industrial mortality table for industrial insurance and the rate of interest, not exceeding 3½ percent, specified in the policy for calculating cash values and paid up non-forfeiture benefits.

The proposed standard valuation law provides that the minimum standard for the valuation of policies issued on or after the effective date of the law shall be the commissioners reserve valuation method that is defined in the act, 3½ percent interest and certain tables that are specified. For all ordinary policies, excluding any disability and accidental death benefits, the commissioners 1941 standard ordinary table must be used. The company committee desired also the privilege of using American Experience or American Men Ultimate table but the Guertin committee insisted that only the commissioners 1941 standard table be specified. For all industrial policies excluding any disability and accidental death benefits, the 1941 standard industrial mortality table is specified. The companies also requested that the standard industrial mortality table, now in use, be submitted as well. For annuity and pure endowment contracts the 1937 standard annuity mortality table; for total and permanent disability benefits in ordinary policies, class (3) disability table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies for accidental death benefits, the inter-company double indemnity mortality table combined with a mortality table permitted for calculating the reserve for life insurance policies. For group life insurance, life insurance issued on the substandard basis and other special benefits, such tables as may be approved by the commissioner.

Greater Aggregate Reserves

There is a provision that reserves for any category of policies may be calculated at the option of the company according to any standards which produce greater aggregate reserves than those calculated according to the minimum standard provided in the act. The rates of interest used shall not be higher than the corresponding rate or rates of interest used in calculating any non-forfeiture benefits provided for therein. There is a provision, however, that reserves for participating policies may be calculated according to a rate of interest lower than the rate of interest used in calculating the non-forfeiture benefit with the further proviso that if such lower rate differs from the rate used in the calculation of the non-forfeiture benefits by more than ½ percent the company shall file with the

RECORDS

Great Northern Life—Paid business for the first five months showed an increase of 62.9 percent. Each of the five months showed substantial increases.

Franklin Life—Gained 26.32 percent in first year premium income and an expansion of 13 percent in renewal premium income. Interest revenue improved 14 percent. Since Jan. 1, Franklin has invested \$2,288,050 in U. S. government bonds, or 103.14 percent of its increase of \$2,218,306 in ledger assets in the five months. Death losses were the lowest for a comparable period in the last 17 years, with only 39.2 percent of expected.

June 1 marked the first anniversary of **Claude C. Jones** as general agent of Connecticut Mutual in Buffalo. During that time the agency rose from 41st to 27th place in the company's agency standings. With ten "plus" months out of the past 12, the year ended the biggest the company has ever had in Buffalo, showing a gain of 33½ percent. In May a contest for volume was held with the Indianapolis Connecticut Mutual Agency, where Mr. Jones was formerly partner with his brother, George K. Jones. The result was a hard fought contest with the Buffalo agency winning.

commissioner a plan providing for such equitable increases, if any, in the cash surrender values and non-forfeiture benefits in such policies as the commissioner shall approve.

This is the way that the so-called surrender dividend proposal that was found in the original Guertin committee report has been developed. It is inserted in the policy valuation law rather than in the non-forfeiture benefit law. Thus if a company desires to put up higher reserves to the extent of using an interest calculation that is more than ½ percent below that used in calculating non-forfeiture benefits, the company must provide for additional, non-contractual surrender values and non-forfeiture benefits or else demonstrate to the commissioner that such increased allowances should not be given.

The law provides that if the gross premium charged in any policy is less than the net premium for the policy according to the mortality table, rate of interest and method used in calculating the reserve thereon, there shall be maintained on such policy a deficiency reserve in addition to all other reserves required by law.

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Supreme President

Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

Life Insurance Goes to Greater Height

(CONTINUED FROM PAGE 3)

of life insurance is not competitive with war bonds. Life insurance money goes into the same channels and provides a cushion for the dangerous years to come.

Insurance Plays Major Part

Life insurance, Mr. Pink said, is playing and will continue to play a major part in the maintenance of both military and civilian morale. It is only natural that the men in the service should think of home and their dependents and speculate on how things are going. Many of them have built a life insurance program which in case of disaster would perhaps provide a home for the family, education for the children or a continuing livelihood for wife or mother.

Men from all walks of life are going into the military service and this has required adjustment of their existing life insurance program.

Policies issued prior to this year were generally free from war clauses and should not be surrendered unless it is a real necessity. The producer is doing and will continue to do a great service to these men and to the morale of the nation by advising and effecting the necessary adjustments.

WAR CLAUSES

Superintendent Pink said there has been much talk about war clauses in new policies. If a policy does not have a war clause there can be no restriction or exclusion growing out of the war hazard. No policy without a war clause may be altered at the option of any company. War constitutes an extraordinary hazard difficult to measure. War risks generally speaking, he said, are a matter for government rather than private insurance.

Superintendent Pink said there are some who question the use of war clauses at all. They urge that as a patriotic gesture companies should forego war restrictions. The soundness of that view, he said, is questionable but understandable. The long term character of the insurance contract and the nature of its objective demands the highest safety, he concluded. Fortunately the life insurance risk, if properly underwritten and based on a sound mortality table, is perhaps more easily and scientifically measurable than any other. When some extraordinary event such as an influenza epidemic or other widespread catastrophe threatens a large segment of the population things are thrown out of focus. Such a situation has been brought on by the war. Admitting the justification for war clauses as a matter of principle, how far should they go, he inquired. Should they be uniform or should each company use its judgment so far as the law permits?

NEW YORK LAW

He explained that in New York a new statute was enacted at this year's legislative session. It was adopted, he explained, only after consulting with many authorities and it is a fair compromise between those who minimize and those who unduly enlarge upon the necessity of a war clause. Perhaps the main contention was whether the companies should be privileged to limit the benefits of a man in service merely because he is a part of the armed forces or whether there should be proof that the death or injury actually results from service. It is clearly difficult, he said, for anyone to prove the cause of death or injury in overseas service. He said the legislators finally came to the conclusion that it would cause much less difficulty, confusion and misunderstanding if the "status" clause were permitted overseas. On the other hand in this country there should be no serious difficulty in proving the cause of death or injuries whether a man is in the service or not.

The law, therefore provides for a "result" clause in the United States, District of Columbia and Canada. This holds true for the non-combatant service. The companies are also permitted to impose a travel restriction clause and they may restrict the benefit of a person engaged in a hazardous occupation while a resident of a specified foreign country.

BASIS FOR UNIFORMITY

The clauses seem reasonable and should prove practical in operation, he concludes. They may form a basis for reasonably uniform practice throughout this country. The war clauses specified in the New York law are merely a maximum. Companies cannot impose any harsher terms but they are at liberty to modify the war clauses in force in favor of the policyholder.

Superintendent Pink asserts that the difference of opinion in company management as to the extent to which war clauses should be used is not surprising. Some believe that the hazard growing out of invasion is sufficiently slight to warrant full coverage to all while they are within the United States and Canada. Others contend strenuously that in view of the unpredictable possibilities of modern war and the tactics of the enemy the use of war clause in the United States is necessary. He gave it as his own judgment that the companies can without undue risk undertake to cover everyone in the United States and Canada without substantial restrictions.

Effect on Liberal Companies

Theoretically, at least, Mr. Pink said the liberal companies undergo the risk of having siphoned into them a larger proportion of war risk than perhaps they should assume. The problem, he acknowledged, is not an easy one. Uniformity is desirable but cannot be attained by the use of the big stick. It must come from the voluntary cooperation of the companies. Certainly no company, he added, should use a war clause more liberal than that employed by the great majority simply to obtain a competitive advantage.

Some may question the desirability or purchasing life insurance from the private companies where the prospective purchaser is or is about to be in one of the armed services. Such a one would be better off both from the standpoint of coverage and cost to buy government insurance. No life insurance, Mr. Pink stressed should be sold to those in service until they have at least been fully informed of the government's life insurance possibilities. The companies have wisely emphasized this to their producing forces.

Government Life Insurance

Those who are interested in a life insurance program in addition to government insurance do get something of real value. A number of young men will return from the war disabled. They will not be able to buy insurance because many cannot meet the standards of insurability. Insurance already purchased will give them the necessary protection. A life policy even with a war clause which restricts the benefits during that period when the holder is a member of the armed forces, is assurance that when the war is over and regardless of what may happen, he can continue his protection without increased premium due to greater age or other cause or the necessity of satisfying the company that he is an insurable risk.

Superintendent Pink said that the great work of insurance is to pour much oil on the heaving and straining economic machinery so that it may perform smoothly and with as little friction and lost motion as is possible. Insurance, he added, is peculiar to free people and democratic institutions. If life insurance has done anything, he said, it has shown the way to achieve individual liberty and

the precious freedom guaranteed by the bill of rights through the financial security of guarantees.

View War Problems at Nebraska Parley

(CONTINUED FROM PAGE 8)

war, strain and fear, insurance as a whole does a great deal to maintain confidence in the future. Every life contract written tends to eliminate fear, he declared.

Buyers Entitled to Service

L. J. Marti, Lincoln attorney, speaking from the standpoint of the buyer, said that buyers are entitled to receive adequate advice from carefully selected, well-trained and properly experienced agents. The agent should know what type of policies will best serve the needs of each buyer and he should also be equipped to render service when economic conditions call for alterations and for additional features.

Mr. Marti criticized high pressure salesmanship. Buyers are resentful of an agent who tries to scare them into signing on the dotted line. Sales talk should be couched in simple, non-technical language understandable by every person. Many men successful in their own lines are ignorant of what is commonplace to life agents. Appeals to help an agent in a contest were condemned by Mr. Marti. Agents, he said, should not adopt an apologetic attitude in approaching buyers or be evasive in their approach. They call on a prospect for the purpose of selling him if possible, and the fact that the prospect is willing to grant an interview should be accepted as a desire on his part to discuss a contract that will be advantageous to him.

Drop Titles, Says Reed

Prefacing his remarks by advising agents to drop titles such as special agents and insurance counsellors which fail to conceal from buyers that they are just insurance agents, Tom B. Reed, Great Southern Life, Oklahoma City, outlined methods, plans, devices and systems that have enabled him to sell over \$1,000,000 for each of the last four years. Over 50 percent of his business last year was salary savings. Agents should adapt selling methods to the new conditions, having in mind that a contract that is a bargain today might not be one five years hence. He also advised close reading of insurance periodicals for ideas, saying he would rather go without eating than pass up this form of selling aids.

Henry A. Bodendieck, associate publisher "Insurance Magazine," Kansas City, outlined result of questionnaires sent out to 26 insurance executives, 24 of whom predicted an increased volume of new business. There will be fewer full time agents, more part time bank agencies and underwriters, he stated. With increased national income has come a spirit of thrift that will afford new opportunities for men in the field.

Hedges Discusses Legislation

Herbert A. Hedges, Equitable Life, Ia., Kansas City, National association secretary, stressed the importance of the \$40,000 exemption and the provision for deducting from income taxes a limited amount of the premiums on life policies and annuities which are now being considered by Congress.

George A. Harper, assistant superintendent of agencies Bankers Life of Iowa, speaking on "Are We Still Doing Business as Usual," held that life insurance continues and will continue as one of the fortresses of democracy, defending individual freedom and protecting dependents. Business methods must be revamped to meet changing situations and executives must face the fact that the higher the rate of change the lower the efficiency. The situation has become muddled by contradictory state-

Great Southern Requires Hour a Day for Bond Sales

Great Southern Life has put into motion a program whereby each of its salesmen is required to devote at least one hour a day to sale of war bonds, Sam R. Hay, Jr., director of sales reports. Each salesman is required to report weekly to his manager on number of hours devoted to war bond sales, number of bonds sold, and their total maturity value. Texas war bond campaign leaders expressed belief that this is the first program of its kind instituted.

Last year Great Southern began buying defense bonds to award as prizes to salesmen. Now it has cancelled its annual convention, and men who qualify are to be given war bonds instead. The convention had been set for San Antonio this fall. The convention club roster increased this year by 25 percent. To each qualified member of the club goes a \$100 war bond, to every qualified wife goes a \$50 bond, and to every qualified member of the President's Club an additional \$25. To the president of the President's Club goes \$250 in bonds and to each vice-president a \$100 bond.

Two new awards for outstanding sales performance also were announced, one of \$250 in bonds to every qualified club member who pays for as much as \$250,000 during the year, and \$500 to each salesman who turns in \$500,000. More than \$24,000 in war bonds will have been given by the company in awards to its salesmen in the year closing June 30, Mr. Hay said.

The salesmen are called regularly into consultation meetings on war bond sales, are provided colorful inspirational material on war bond sale prepared by the company and have for distribution to the public attractive calendar pads for pasting up war stamps.

ments from Washington bringing about a mental confusion that is disturbing agents and prospects equally and alike. This fact the agent must recognize in making his contacts.

Thorough Prospecting Needed

Prospecting must be more thorough and comprehensive than ever, agents must gain from public records and other sources more information about prospects that will aid in fitting policies to their needs. Selling life insurance is a skill, and it is organized sales talks that get the business. More than ever the agent must rely upon his own ability in sustaining the faith and morale of a perplexed public.

There must be a reduction in frequency of calls and cash on the barrel head substituted for collection on delivery of policies. Rationing demands will force conditions that will save time and travel for the agent. A real opportunity exists, he said, for agents to correlate their ability and time with the requirements of prospects' income, and deliver in one package whatever is necessary to fit all needs.

Standard of Spending Lowered

There has been much talk about the certainty of a lowered standard of living. This has affected the morale of the people considerably, but when one analyzes what is expected of the people, one finds that what is really being demanded of them is a lower standard of spending, with the standard of happiness maintained. The man who has been making it a point to buy a new car each year now finds himself compelled to continue present ownership and use, but he still has a new car and the satisfaction of knowing that none of his friends can outshine him by buying a new car.

Lapse Notice Bill in La.

A bill pending in the Louisiana legislature would require industrial life companies to give 30-day written notice before lapsing of policies for non-payment of premiums.

Sales Ideas and Suggestions

Sales Efficiency Stressed at Iowa Congress

DAVENPORT—With emphasis on wartime production problems, the Iowa Association of Life Underwriters held a thought provoking sales congress here in connection with its annual meeting.

With Lloyd Gettys, Davenport manager Mutual Life, N. Y., presiding, the morning session of the sales congress was devoted to the efficiency of life insurance.

Should Have Background

Although an agent should not attempt to become an actuary and talk to his prospects at length in regard to the theory back of the rates and benefits of the policy contract which he is attempting to sell, certain basic knowledge of the fundamentals of life insurance is desirable, because it gives the agent more confidence in the product which he has to sell and enables him to talk with authority to those few prospects who may be interested in these fundamental factors. P. C. Irwin, associate actuary Equitable Life of Iowa, pointed out. He traced the development of life insurance from the simple assessment plan to the adoption of the legal reserve, level premium basis.

New War Situation

Today people are again realizing the hazards of life as they did in the first war and are thinking more about the insurance for this reason, Mr. Irwin pointed out. Again the government has made insurance available to men and women in the armed forces and again people have money to buy life insurance. However, there is some difference between this and the last war insofar as these conditions affect the life business. A larger portion of the increased income arising from our present defense efforts is going to the industrial class of people than during the first war. Taxation is falling heavily on those in the higher income brackets who perhaps have been the best market for life insurance in the past. These increased taxes and the increased living costs are reasons for needing an increased amount of insurance protection, but many of these prospects are somewhat uncertain as to the future and will wish to purchase this increased protection on a low premium basis. Accordingly, for this class of prospects the pendulum has swung entirely back from the investment form of contract to the protection form. Perhaps term policies or a combination of term and some basic form on a permanent plan are the best for these prospects to purchase, Mr. Irwin commented.

Must Watch Term

Today there is a definite place for term insurance, but care should be exercised in selling it because term policies if not properly sold and if not properly converted, may lead to later disappointments. In spite of the present day problems of the higher income prospects, they should not be neglected because recent surveys show that a large percentage of new business is still coming from this class.

Mr. Irwin pointed to the vast new market among industrial workers who are making more money today than they have ever before and who, because of curtailment in available civilian goods like automobiles, tires, radios, refrigerators, etc., find themselves with fewer places to spend this money. The wage-earner has never been a large purchaser

of life insurance and he must be educated to his responsibility and the need for life insurance. This process of education is going to take some time. Many of these people have certain obligations which are being liquidated with this newly acquired income. All of them are being called upon to purchase war bonds. However, if the agent has found that to date he has not been successful in selling this particular group, he should not be discouraged because it is going to be some time before this money is available for life insurance purposes and some little time before this group can be educated up to the necessity of life insurance in reasonably substantial amounts.

Must Study New Market

One of the important problems before the life companies is the proper marketing of their product to this new group of potential buyers. It is not an easy problem because many of the workers may later have a reduction in income with a consequent lapse of their policies. This group, while in need of protection, should be sold this protection on a reasonably high premium form so as to build up in the early years substantial equities which will be available to help carry on this insurance if the income is later reduced. However, this high premium should not be overdone from the standpoint of overloading the purchasers with premiums which they can not hope to continue indefinitely. Some long term endowment form seems to be a reasonable answer for this type of prospect, with perhaps some premiums paid in advance. Although the companies at the present time are not particularly anxious to accept advance premiums, Mr. Irwin expressed the belief that in these cases the end justifies the means and that in the long run the persistency of this business will be improved by making some advance premium collections while the income of these buyers is high.

As long as the insurance companies demonstrate that their rates are equitable and that their marketing methods are fair, "we need have little fear that the government will attempt to encroach upon our field of building individual security but rather will encourage insurance companies in this field." The social security program is just a base to build on with provisions for the bare essentials of life for widows, orphans and for the aged. "Our business is to build from there on," Mr. Irwin declared.

AIDS WAR EFFORT

By alleviating financial distress among families and individuals, life insurance protection serves to lessen the strain on the economic mechanism of the community and to reduce the burden of poverty and dependency that might otherwise fall upon public funds, Julian S. Myrick, second vice-president Mutual Life of New York, declared. "From the national viewpoint, therefore, it reinforces our economic strength and, in the current emergency, operates to support our war effort."

It has long been recognized that one important social value of life insurance is that it eliminates worry and increases initiative. In the current emergency, this is turned to national benefit as many thousands of policyholders are engaged in organizing, producing and carrying

forward the manifold tasks essential to victory, Mr. Myrick pointed out.

In providing the protection which affords such great benefits to our nation, policyholders are also adding to the store of the nation's savings. Their thrift in setting aside portions of their incomes as life insurance premiums helps the war effort in two ways. First, the funds given into the keeping of life companies are invested largely in securities of the United States government and in those of private enterprises having essential war functions. Second, the extent that policyholders curtail their purchases of consumer goods in order to provide money for life insurance premiums, helps to check the tendency toward inflation which represents a serious threat.

No Worry About Priorities

Agents are among the fortunate few who do not have to worry about priorities. The commodity which they have to sell is one of the few items which the government is actually urging its people to maintain and increase so that all of the excess national income may be put to work at once. War bond purchases are not competition. National income which will be left over after taxes and all possible consumer purchases, will not only provide all normal savings and the government's requested 10 percent of income for war bonds but will leave enough additional for many billions more in war bond purchases and at least 100 percent in life insurance sales over last year.

"Will You Get Them?"

The situation is not a question of the possibility of large sales increases but the question of "will you get them?" There is no sound reason in the world why life insurance sales in this country should not turn sharply upward at once and stay on unprecedented level for the duration of the war, Mr. Myrick declared. Excuses for not doing a job can be found aplenty. Reasons for such a shortcoming do not exist even in the singular. The year 1942, which started out with tremendous sales increases, should see that pace recovered quickly and maintained through the year. It is both an opportunity and a responsibility for those in the field. "You have a vital role to play in the war effort and you can fulfill that responsibility at once, if you wholly understand the full significance of this relationship of life insurance and war."

Neimann Urges Positive Effort

The average life insurance man is wasting his time because he is not doing the things he knows he should do, W. K. Neimann, Des Moines manager Bankers Life of Iowa, declared. The average agent uses too much energy in worrying instead of in positive selling. Many persons have a strong tendency to look at the negative aspects of situations and it is necessary for them to make a definite effort to adopt the positive viewpoint. Mr. Neimann believes in an agent putting himself on the spot in establishing a goal; in this way he can eliminate the ups and downs of production. By successfully meeting his self-set quota an agent develops a feeling of power to win. Adoption of the master mind principle was urged by Mr. Neimann. Successful centers of influence can be developed by helping other persons in their efforts and they in turn will be glad to return the compliment to the agent.

Three Group Meetings

Deviating from the usual sales congress procedure, the afternoon session was broken up into three simultaneous sales seminars.

Arthur B. Muhs, Mutual Benefit Life, Davenport, presided at the business

insurance section conducted by Paul Millett, Chicago tax attorney, and Russell C. Whitney, Connecticut Mutual, Chicago.

Four producers told how they are making sales under present day circumstances before the "streamlined selling" group with Glenn Rodgers, Prudential, presiding.

Visual Selling Aids Urged

Visual selling aids not only divert the prospect's attention from what he is doing when the agent calls but they are a big help in holding his attention and interest on the idea presented for his consideration, Jim Hack, New York Life, Peoria, declared.

An effective plan employed by Mr. Hack is to use charts with a different color representing certain situations. Green is used to indicate the present life insurance as it represents the amount of safety which the prospect has provided for his beneficiaries. Red, the danger sign, is used to bring out the needs of the beneficiaries as a warning that the prospect has certain outstanding responsibilities to consider in arranging his life insurance program.

Purple, which indicates financial success, is used in denoting the degree of financial independence the insured has provided. Deposits of premiums are indicated in black, and proverbial baby colors, pink for girls, blue for boys, are used in outlining educational plans. Dividend figures are outlined in brown.

A successful agent should be enthusiastic about his plans and ideas that he has worked out for his friends. He should also be interested in what people are doing and should participate in new activities. By meeting more people the agent can learn to know more about life and its problems "and only as you help solve their problems can you build a great career," Mr. Hack emphasized. Willard E. Lowenberg, Equitable Life, Ia., Fort Madison, was a principal of a southern Iowa high school before he entered life insurance two years ago. He related the methods he used in selling 146 lives his first year. He is maintaining his production at a steady pace, writing nine to 26 lives a month.

Several tax approaches were presented by Joe A. Rhomberg, Northwestern Mutual, Dubuque.

BICKEL GIVES TALK

In stressing the importance of prestige building, Robert O. Bickel, National Life, Vt., Cedar Rapids, originator of the "Informat" and author of "Master Contract Plan" published by the Diamond Life Bulletins, said that it is imperative that an agent make himself salable. The successful agent doesn't sell life insurance, he sells himself. To do that, he must be honest and know his business. Mr. Bickel points out to his prospect that he is not making the call to sell him something but to tell him how to select his life insurance man, pointing to the qualifications which an agent should possess.

Cardinal Don'ts

Cardinal "don'ts" were outlined by Mr. Bickel. "Don't . . . talk about your cases, give out confidential information, run down competitor but sell yourself, waste people's time, fail to be courteous and thoughtful, use too much high pressure, and don't take civic jobs or outside activity unless you carry through."

Mr. Bickel is an avid photographer and he capitalizes on his hobby by sending out blotters periodically to his list of 1,700 names. Pictures he has taken are printed on them. He has a successful series of "Little Journeys" blot-

ters upon which he has a lovely scene of some spot worth visiting with detailed directions on how to get there. His clever New Year's greeting blotters from his dog "Jerry" have been popular. He also displayed a series of "They Tell Me" advertisements from his local newspaper which he and his general agent, C. V. Shepherd, prepared, based on interviews with prominent Iowans whose pictures feature the advertisement.

FARM MARKET

The importance of the farm market was stressed by Fred Schwengel, Davenport general agent American Mutual Life, in introducing the speakers at the "Selling Farmers" forum. Iowa farm income increased from \$650,000,000 in 1940 to \$941,000,000 in 1941, and is expected to go over the billion dollar mark in 1942. There are about 220,000 farms in Iowa; this means that each farm unit has \$370 more income to spend. As farm equipment sales are being curtailed around 33 percent, this portion of farmers' income formerly spent for equipment, is now available for investment in life insurance.

Great emphasis is being placed on farm production in winning the war and farmers are bound to prosper during this period.

Farmers Good Buyers

Farmers have always been good buyers of life insurance, George Reeves, Mutual Life of New York, Fairfield, Ia., pointed out. In view of the bitter experience of farmers during the depression when many of them were forced to drop their life insurance, Mr. Reeves predicted that the average farmer will be more conservative in his purchases in the present period of prosperity. He pointed out that the farmer is an intelligent man and is well informed, although he is a little slower to grasp a proposition than his city brother. It is wise to keep proposals as simple as possible and avoid everything of a technical nature. Mr. Reeves said he has never found a farmer who was interested in a company's reserve basis or mortality rate. They are more interested in insurance for protection than as an investment. It is because most of them are either paying for a farm or saving money to make the down payment on a farm. They feel that if the farm is paid for they will have security in old age. Ordinary life or life paid up at age 65 has the strongest appeal to the average farmer.

Must Not Interfere with Work

It is necessary to time calls on farmers so as not to interfere with farm work, Mr. Reeves said. It is more essential to have facts concerning a farmer prospect than it is with a city man. It makes a great deal of difference whether he is a farm owner or renter and it is necessary to determine the amount and type of his mortgage. Farmers are slow to act and it often takes from 30 to 60 days to close a case. It is necessary for the agent to have a good idea of farming so that he can judge approximately when the farmer will have some extra income from marketing cattle or a crop. Farmers are good sources of prospects because they believe in life insurance and are willing to refer agents to their friends and relatives. County agents are a good source of prospects and can be relied upon to provide some good tips. There is very little competition in the farm market, according to Mr. Reeves.

Must Talk Their Language

In approaching farmers it is necessary to talk their language, Rollo Pickford, Bankers of Iowa, Cedar Rapids, emphasized. Farmers are business men and even those starting out have \$4,000 to \$5,000 invested and some have as much as \$90,000 to \$100,000 in their farm and equipment. Farmers like to do business with successful people and it is important that agents keep this in

mind. Agents must become familiar with the farmer's problems, as it is hopeless to try to sell a farmer unless an agent knows something about farm matters and can identify different breeds of cattle, hogs and type of grain and produce.

The farmer should be sold in terms that he can understand, such as a house in town when he retires. The mortgage problem is ever present and the idea of a mortgage retirement plan so his wife won't be left meeting payments has a great appeal for a farmer. It is necessary to see the farmer at the right time of day and to make callbacks just as if he were in town. Mr. Pickford said that farmers send direct mail more than the town people. At the present time when many city people on salary are being squeezed to death by taxes, the farmer is comparatively free from this situation as his income is increasing in proportion.

Farmers not only need life insurance but make excellent risks, Leland T. Sloane, Davenport general agent Central Life of Iowa, pointed out. He has never had an application on a farmer turned down. Farmers will buy if they have the money to pay for the insurance and they do have it today.

In prospecting among farmers, Mr. Sloane recommended the calling on the wife first as women buy about 90 percent of everything that is sold. Mr. Sloane finds it advantageous to talk to the farmer's wife first because she will give him information before he comes back to try to sell her husband. In this way he finds out how much life insurance is owned in the home, how old the various members of the family are, whether the family owns or rents or is buying the farm. He also gets a good idea concerning the family's financial situation and health as well as when the best time to talk to her husband. With all this information Mr. Sloane tells the wife that he wishes to call back sometime to talk to both the wife and her husband about his plan. It is necessary to call back at night or on some rainy day when the farmer is not busy. On the second call, Mr. Sloane fixes the need in the prospect's mind, such as a savings, mortgage or education plan.

Jim Lardner, Northwestern Mutual Life, Moline, Ill., outlined several effective sales approaches with which he has had success.

In summing up the program Mr. Schwengel said that despite what some people say about "canned" sales talks, he finds that he can use one with great success. In approaching a farmer it is necessary to recognize him as an individualist and have a real interest in his problems, he said.

INSPIRATIONAL TALK

Despite the fact that the uniformed man has the spotlight in the war times and he should have, because he takes the risk and should have the glory, there is still work to be done at home, E. B. Thurman, Chicago general agent New England Mutual Life, declared in an inspirational talk which concluded the program.

In view of the fact that more than one half of the \$28,000,000,000 in life insurance reserves are guaranteed to earn 3½ to 4 percent interest, with practically all of the other half calling for 3 percent interest, the life companies are confronted with the necessity of making up the difference between the 2½ percent maximum interest return on government bonds and the rate of interest guaranteed by their contracts. Because of the importance of savings in mortality in this respect, Mr. Thurman predicted tighter underwriting by all companies.

New Note of Seriousness

"In these days when the whole world is on fire, our job of selling life insurance takes on a new note of seriousness. As we stand before this consuming conflagration, we see weird shadows cast upon the background of our civilization, and like little children, we are terrified by goblins of uncertainty. Some of us

permit the fear of inflation to paralyze our efforts. Some of us are willing to admit that we can't sell life insurance because the little business man is being squeezed out of the economic picture. Some of us are floored for the count of 10 when we attempt to contemplate the size of our growing national debt. Some of us are filled with uncertainty of the future because of mounting income taxes."

Will Move Mountains of Difficulty

However, in view of this situation Mr. Thurman pointed out that "so long as men love their wives and cherish them tenderly, just so long will they move mountains of difficulty, if need be, to give them security against the crushing and deadening weight of a defenseless poverty. Just so long as fathers and mothers love their children and are willing to make sacrifices for their welfare, to guard them against the loss of a fair chance in life, just so long as the parents' love for children remains a human characteristic, just so long will life insurance be the sacred coffer in which we safely keep those hopes and aspirations for our own flesh and blood. When a father dies without adequate life insurance his children lose not only their father but their mother as well, and thus perishes our basic family unit, the fountain of our civilization."

Must Transfer Ideas

Basically, the agent's job is to transfer ideas and help to create ideals in the minds and hearts of others. Prospects' reactions are always the same, the pattern is fixed. So long as the agent recognizes the simple fundamental emotional impulses, he will have powerful interviews. By comparing notes life insurance men have found that the reason why prospects buy insurance is the very simple fact that they love someone and they are afraid something will happen out in the future which will bring unhappiness and misfortune to those whom they love.

In selling life insurance successfully it is necessary to understand the mind of the buyer. He is usually complacent because he thinks he has given intelligent and careful consideration to all of his estate problems and has made adequate provision for their solution, or, he may have decided he can do nothing further about it. In the latter case, in self defense, he assumes an attitude of satisfaction, thus closing the door to further discussion concerning a subject that he feels is beyond his abilities to cope with.

Too Busy to Consider Problem

It is also possible that the prospect has been so busy in his job of making money, achieving success, that he has never had the opportunity nor taken the time to carefully and intelligently consider his estate problems.

To get the buyer out of the state of complacency, Mr. Thurman said that it is necessary to compare his present

Greatest Opportunity in History Faces Agents

SAN FRANCISCO—The greatest opportunity that has ever existed for life underwriters is now here, Ray P. Cox, executive vice-president California Western States Life, told women members of the San Francisco Life Underwriters Association. As far as he is concerned, the future has no doubts, Mr. Cox said. To do justice to the enormous job before them, agents must have the spirit of the crusader, they must return to fundamentals in the field of life underwriting and must realize that it is their job to protect the home, stressing that today, particularly, the home symbolizes patriotism, the flag, the country, everything for which this nation is fighting. "The home," he said, "is the soul of democracy. Without it, democracy can not exist."

Got Away from Fundamentals

Unfortunately in the years just past, life underwriters have been too busy pushing pencils, figuring out the "angles" of various policies and talking about other companies, and as a result have wandered away from the fundamentals of the business. There are, Mr. Cox said, only two real reasons why men work: First, to take care of their loved ones; and, second, to put a little away for a rainy day. These, he said, are the simple problems of the average man. These, he said, might be broken down further into the "four great problems of life," each of which can be solved through life insurance. They are: 1. A man must have cash to meet emergencies. 2. He must have money for retirement. 3. He must protect his earning power. 4. He can bring about the completion of his plans. Salesmanship, he said, is simply recognizing the other fellow's problem, talking it over and finding the solution.

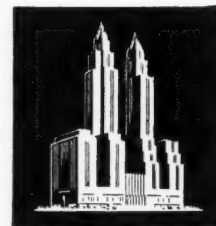
Miss Constance Schwanz, Mutual Life, N. Y., was elected to head the women's committee.

situation with one that is so much better, "that we plant the seed of dissatisfaction in his mind. It is only by comparison that we will be able to convince him of a deficiency in his present plan, or lack of plan." Having found the deficiency it is necessary to magnify it to give it its true importance and emphasize its value until he has become sufficiently dissatisfied to jar him out of his state of complacency. "We have then torn him loose from his mental moorings, he is drifting. We can now create an emotional desire on his part to better his situation, to take advantage of this new idea, to repair the deficiency we have discovered, and to eradicate his dissatisfaction," Mr. Thurman pointed out.

Voluntary purchase of war bonds amounting to 10.12 percent of the home office payroll has been made by employees of Lincoln National Life.

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J. H. Sherman, life department manager; Matt Keller, agent, and Spence Willis, agent, all of W. A. Alexander & Co., general agent Penn Mutual, Chicago, and B. H. Groves, Chicago, manager Travelers, at a recent Chicago gathering.

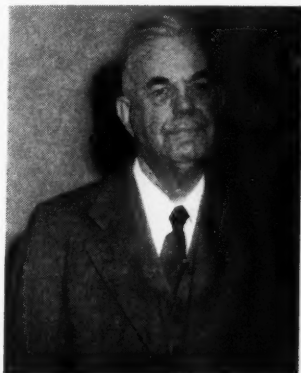


Typical of after-hour scenes about the home office of the Provident Life & Accident in Chattanooga, is this study in the application of artificial respiration. Three separate study groups in first aid are being taught by the Red Cross.

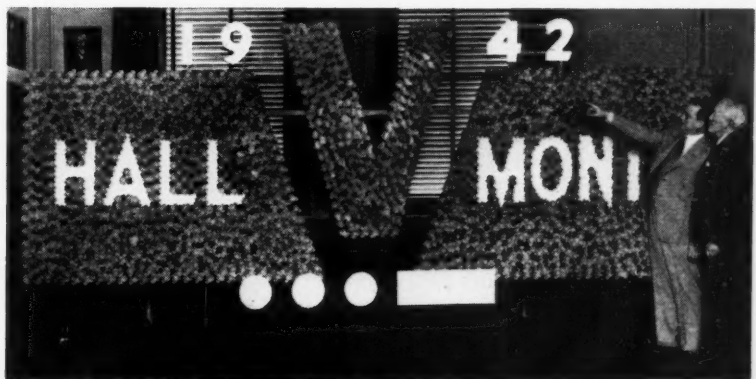
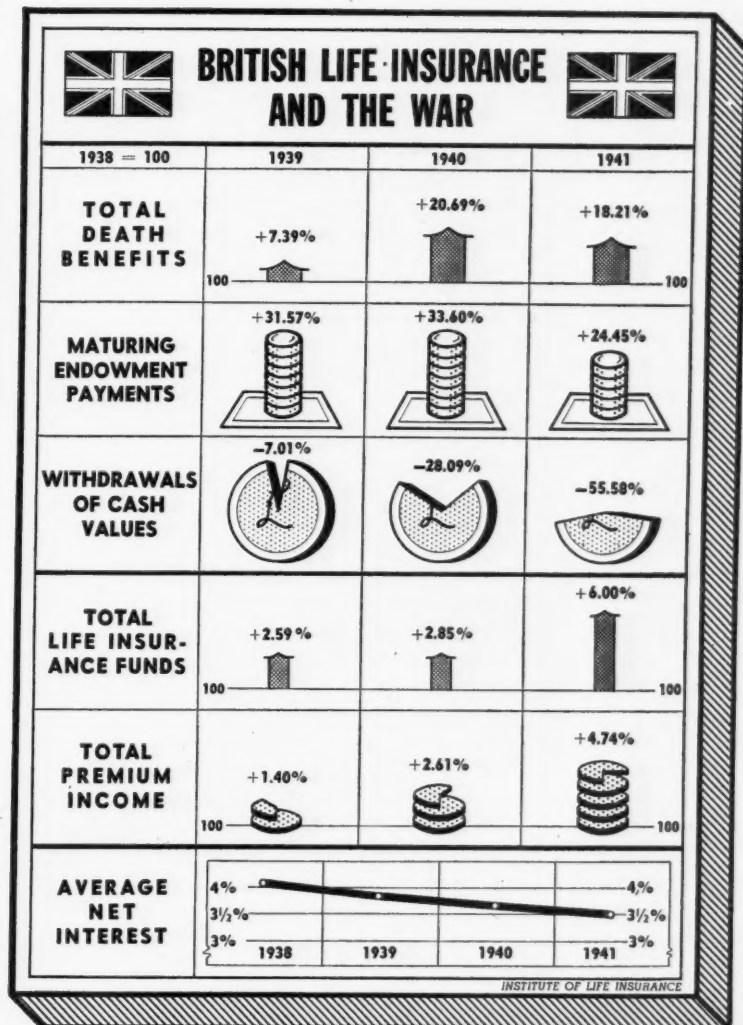


Herman A. Zischke, manager Union Central; Arthur A. Loeb, general agent Penn Mutual; A. Van Goldman, manager La Salle ordinary Prudential, all of Chicago, and Judd C. Benson, general agent Union Central, Cincinnati, at the Chicago Association of Life Underwriters' Sales Congress.

Major W. S. Fuller, Chicago Prudential manager, who was grand marshal of the Memorial Day parade in La Grange, Ill., was one of the honored guests at the annual meeting of the Iowa Association of Life Underwriters in Davenport.

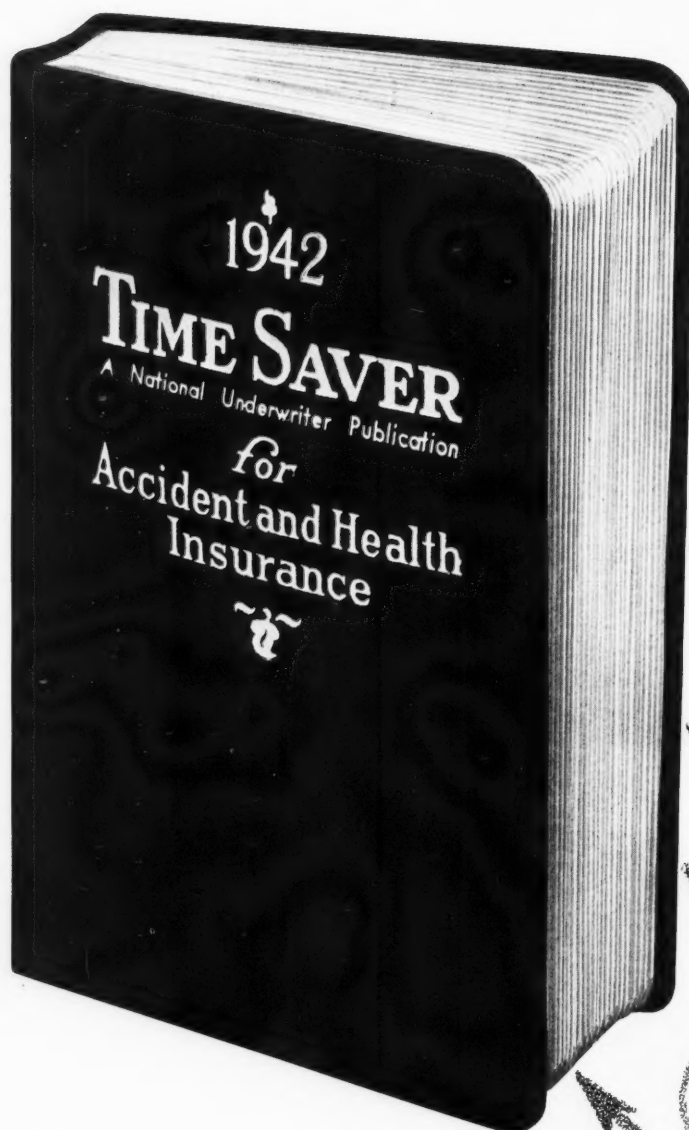


This old fashioned hay-rack made a big hit at the Davenport, Ia. Sales Congress. Left to right—Merle E. Van Epps, Mutual Life, N. Y.; Newell C. Day, Equitable of Iowa; Paul C. Otto, Connecticut Mutual Life; S. W. Sanford, Prudential; Philip Sitrick, Lincoln National; J. J. Hilbe, Guardian Life; Henry M. Meese, Travelers; Charles Sessions, New York Life.



A. L. Dern, vice-president and director of agencies (left), presents rose arbor display of rose cards to Arthur F. Hall, founder and board chairman of Lincoln National Life. During May, Hall Month, agents affixed to each application rose cards which served as personal greetings to Mr. Hall.

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